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CONTENTS

2 AUGUST 1989

ARMENIAN AFFAIRS

Moscow Accused of Altering ArSSR Demography [Paris GAMK 10 May]	1
ArSSR Leadership Deplored for Inaction on Karabakh [Paris GAMK 13-14 May]	1
Territory Swap With Azerbaijan Proposed [Beirut AZTAG 18 May]	2
Prospects of Independence Reviewed [Montreal HORIZON 22 May]	2
Yerevan Demonstration Detailed [Montreal HORIZON 22 May]	3

NEAR EAST

REGIONAL AFFAIRS

Gulf States View Significance of Solution to Lebanese Crisis [Beirut AL-NAHAR AL'ARABI WA AL-DUWALI 13-19 Mar]	4
EC Market Move Will Help Gulf Banks [Manama GULF DAILY NEWS 27 Jun]	5
Gulf Petrochemical Industry Threatened by EC Curbs [Manama GULF DAILY NEWS 26 Jun]	5
France-GCC Trade Cooperation Reported [Muscat 'UMAN 29 Apr]	5
Drop in GCC Trade Debts Reported [Muscat 'UMAN 4 May]	7
Economic Report Calls for GCC Currency Union [Muscat AL-WATAN 6 Jun]	8
Gulf Industrialists To Meet To Promote Regional Growth [Muscat 'UMAN 13 May]	9
Central Bulk Wheat Store To Supply GCC States [Manama GULF DAILY NEWS 25 Jun]	10
GCC Agricultural Affairs Discussed [Muscat 'UMAN 1 May]	11
India Reevaluates Its Policy on Israel [Jerusalem THE JERUSALEM POST 20 Jun]	11
Diplomat Discusses Sudanese Ties, Conflict With Chad [London AL-DUSTUR 12 Jun]	13
Conference Focuses on Soap Manufacture, Phosphates [Tripoli AL-FAJR AL-JADID 16 May]	16

PALESTINIAN AFFAIRS

Background on Jamil Tarifi Presented [Tel Aviv HA'ARETZ 25 Jul]	17
Statistics, Social, Economic Structure of Refugee Camps [Jerusalem AL-FAJR 1 Jun]	17

ALGERIA

Minister of Education Discusses Response to Teachers' Demands [ALGERIE-ACTUALITE 9-15 May]	19
---	----

BAHRAIN

GCC Economic Activities Report Reviewed [AKHBAR AL-KHALIJ 23 May]	22
Statistics on Investment in Electrical Power Reported [AKHBAR AL-KHALIJ 21 May]	22

EGYPT

Thirteen Studies Allegedly Discontinued for Security Reasons [AL-AHALI 24 May]	23
Butrus Ghali Interviewed on Nile, African Issues [AL-JUMHURIYAH 22 Jun]	24
NPUG Head Accuses Israel, United States of Inciting Sectarianism [AL-AHALI 10 May]	26
Labor Union President Discusses Public Sector Problems [MAYU 5 Jun]	29
Specialists Discuss Freeing Public Sector From Government [AKHIR SA'AH 24 May]	31
SLP Youth To Join Delegation to Pyongyang World Conference [AL-SHA'B 23 May]	38
Alexandria Court Cancels Transfer Order for Union Members [AL-AHALI 3 May]	38
Parts Contract Sparks Hope for Advanced Industry [AL-AKBHAR 1 Jun]	38
Columnist Depicts U.S. Support for Garang as Anti-Islam [AL-SHA'B 13 Jun]	39
Commentator Sees Islamic Movement Radicals As Unrealistic [AKHIR SA'AH 24 May]	39
Journalist Accuses Legislators of Losing Touch With People [AKHIR SA'AH 17 May]	40
Columnist Appeals to Muslims To Oppose Attacks on al-Aqsa Mosque [AL-NUR 21 Apr]	42

IRAQ

Rocket, Poison Gas Production Project Described [London THE MIDDLE EAST Jun]	42
--	----

ISRAEL

Shamir Battles With Sharon, Levy, Moda'i [YEDI'OT AHARONOT 2 Jun]	43
Strategies in Dealing With Intifadah Leaders Examined [MA'ARIV 5 May]	46
Settlers and Arabs Clash in Hebron [HADASHOT 19 May]	48
Aerial Strike Tactics Against PFLP-GC Base Detailed [BITA'ON HEYL HA'AVIR May]	51
S. Africa Ties May Endanger Tadiran's U.S. Operations [HADASHOT 29 May]	52
IDF Commander Investigated in Leg-Breaking Incident [HADASHOT 29 May]	52
Reasons for Economic Stagnation Discussed [THE JERUSALEM POST 13 Jun]	53

KUWAIT

Soviet Ambassador Praises Military Cooperation [ARAB TIMES 27 Jun]	56
Islamic Ministry Bars Some Imams From Friday Sermons [ARAB TIMES 20 Jun]	56
Students' Low Academic Standards Called Serious Problem [ARAB TIMES 28 Jun]	56
Declining Examination Scores Blamed on 'Lazy Students' [ARAB TIMES 25 Jun]	57

LEBANON

Ambassador to UNESCO, 'Adil Isma'il, Interviewed [London AL-HAWADITH 23 Jun]	58
Tripartite Council Demands Include Israeli Withdrawal [London AL-HAWADITH 23 Jun]	60

LIBYA

People's Congress Formulates New Price Control Law [AL-FAJR AL-JADID 17 May]	62
Qar Yunis Conference Examines Research on Education [AL-FAJR AL-JADID 19 May]	64

QATAR

Causes of Economic Stagnation Listed [AL-'ARAB 30 Mar]	65
Family Income Affairs Reported [AL-RAYAH 25 May]	67

TUNISIA

Legitimacy of Ennahda Party Questioned [LES ANNONCES 16 Jun]	68
--	----

SOUTH ASIA

PAKISTAN

MQM Leaders Said To Be 'Fascist' [VIEWPOINT 29 Jun]	71
Commentary Asserts Defense Outlay Misrepresented [DAWN 19 Jun]	71
Editorial Criticizes Government on Printing Paper Tax [THE MUSLIM 5 Jul]	72
Editorial Urges Restraint on Political Rivalries [THE MUSLIM 9 Jul]	72
Commentary Urges Sindh Rail Link to India [DAWN 3 Jul]	73
Commentary Views the Sindh Situation [NAWA-I-WAQT 16 May]	74

Moscow Accused of Altering ArSSR Demography
46050029b Paris GAMK in Armenian 10 May 89 p 2

[Statement by the "Karabakh Movement" issued on 6 April 1989: "Eight Billion Roubles to Clear Armenia of Armenians"]

[Excerpts] The months that have passed since the earthquake have left no doubts in any Armenian's mind about Moscow's policy with regard to the Armenian people and the problems it faces. That policy manifested itself in Artsakh as a "straitjacket" imposed on that segment of the Armenian nation in the form of a special administration. Moscow has deprived Artsakh from any democratic means of expressing its will, rejecting even all prospects of economic integration with the Armenian SSR [Soviet Socialist Republic] thus blocking all avenues to the unification of our nation.

That policy of dispersing the Armenian people from its birthplace and dealing devastating blows to its hopes of unification today manifests itself in Armenia proper. The ruinous earthquake created favorable conditions for the implementation of that policy, and Moscow lost no time to take advantage of those conditions.

Already 4 months have passed since the time when urgent reconstruction measures were promised from high podiums, but not a single brick has yet been laid on the foundations of any building. It is not even clear where the new cities will be built.

It has been known for many years that more than 15 percent of the hard-working populace of the Armenian SSR is unemployed for all practical purposes. That constitutes tens of thousands of workers. Today that group has been joined by the entire workforce of the devastated regions. That situation is aggravated by the nearly 200,000 refugees deported from Azerbaijan who have sought asylum in Armenia. Even as it faces the vast problem of employing this large idle workforce, Moscow has imported into Armenia workers from outside describing that practice as "fraternal assistance" and depriving the Armenian people, physically and morally, from its natural right to rebuild its devastated homeland with its own hands. The chaotic situation that has been created has reached the point where native-born and refugee Armenians, not seeing any prospects of finding a home or employment in the near future, abandon their homeland to join the swelling ranks of Armenians in the Soviet Diaspora. This ruinous emigration imposed on the Armenians appears to be Moscow's political objective. This is evidenced by the fact that on several occasions Armenians deported from Azerbaijan as well as quake victims who have been sheltered in various parts of the Republic have been officially offered permanent homes and jobs in remote regions of Russia. [passage omitted]

Thus, even as the Artsakh problem remains unresolved, Moscow has been creating new problems for the Armenian people which has not yet recovered from the earthquake. Yet again, the Armenian nation must find the internal strength to fight this anti-Armenian policy in unity.

Our nation cannot accept the separation of the problems of Artsakh and the quake-devastated zone. Today Artsakh is as much a disaster zone as Shirak and Lori, and problems of national self-preservation are as pressing in Leninakan and Kirovakan as they are in Artsakh.

Compatriots, we must not allow the de-Armenianization of these last remnants of Armenia. We have no other choice but to fight. Retreating before the imperialist machine today means losing Armenia forever.

ArSSR Leadership Deplored for Inaction on Karabakh

46050029c Paris GAMK in Armenian 13-14 May 89 p 1

[Article by Y. Kevorkian: "More Than a Top Priority"]

[Excerpts] [Passage omitted] Our compatriots in Artsakh are up in arms. The national leadership of Artsakh, to which the brave Artsakhians have pledged more than their allegiance, protests the indifference of the Soviet Armenian leadership. The brave Artsakhians protest the silent complicity of Volski's Special Administrative Committee.

Their protests do not remain confined to simple remarks and mere words. They put their expressions of protest on a concrete footing when they declared an indefinite strike on 3 May.

All arriving information indicates that the situation in Artsakh, particularly in Stepanakert, is extremely tense. Columns of tanks are in the streets. Large numbers of policemen patrol the streets of that patriotic capital whose major streets and intersections are under strict military control.

And what do we do? What do we do to relieve and to ease some of the anguish in Artsakh?

In the Diaspora we echo the demands and the urgent appeals of the Artsakhians. The press and the radio report the news on a timely basis. We must probably also engage in more vociferous activities. We must organize demonstrations and send protest notes and memoranda to the Soviet authorities and ask them to put an end to the deprivations and the repression of these patriotic souls in that small sliver of land. [passage omitted]

What does S. Arutyunyan's staff do? As evidenced by the open letters of the Artsakhians it has extensive means to intervene.

What we need to do is more than a matter of top priority; it is one of obligation.

Artsakh calls on us once again. Let us not confine ourselves to political declarations in the Diaspora and Soviet Armenia.

At this stage, the leadership headed by S. Arutyunyan has a critical role to play in finding a lasting and for us fair solution of the Artsakh problem. [passage omitted]

Territory Swap With Azerbaijan Proposed
46050029a Beirut AZTAG in Armenian 18 May 89 p 3

[Letter to Arkadi I. Volski, chairman of the Special Administrative Committee for Nagorno-Karabakh, by a group of academicians; date not specified]

[Text] Honorable Arkadi Ivanovich:

We, a group of Armenian historians, decided to appeal to you with regard to the following problem:

Although the situation in Nagorno-Karabakh has normalized since the implementation of the special form of administration that was announced on 20 January 1989 and the initial positive results are evident, interethnic relations in the oblast unfortunately remain tense which troubles the public in both Armenia and Azerbaijan.

Given the complexity of the problem, we propose an alternative compromise arrangement.

As is known, the Armenian population of Shushi, the former capital of Artsakh, has dwindled to nothing in recent months. This unwelcome development will further aggravate interethnic relations in the future and will have an adverse effect on the stabilization of the situation in the oblast.

On the other hand, Armenians constitute approximately 80 percent of the population of the Shahumyan rayon of Azerbaijan (Gulistan, Armenian national administrative region) which is geographically part of Artsakh. The population of the said region has on many occasions been forced to ask various government bodies to be united with Nagorno-Karabakh.

Common sense suggests that the city of Shushi and the Azeri-inhabited areas of the Shushi region should be separated from Nagorno Karabakh and that the Shahumyan rayon should become part of NKAO.

It is also imperative to alter the constitutional status of NKAO and to make it an autonomous republic subject directly to the central government of the Soviet Union.

Thought must also be given to restore the common border between NKAO and Armenia which existed before the 1930's.

The solutions proposed to the problems that have been mentioned do not violate the present Constitution of USSR, and the implementation of the alternative compromise plan would help the neutralization of tensions in the region and the restoration of goodneighborly relations between the Armenian and Azeri peoples.

We ask from you on the eve of the full meeting of the CPSU [Communist Party of the Soviet Union] Central Committee on nationality problems to convey our thoughts to the Presidium of the Soviet Union, the Politburo of the Central Committee and the Soviet government.

[Signed] S. Yeremyan, member of the Armenian Academy of Sciences; G. Sargisyan, member of the Armenian Academy of Sciences; B. Arakelyan member of the Armenian Academy of Sciences; K. Simonyan, correspondent member of the Armenian Academy of Science; V. Barkhudaryan, correspondent member of the Armenian Academy of Sciences; H. Bardikyan, doctor of history; A. Pokhosyan, doctor of history; A. Hambaryan, doctor of history; L. Khurshudyan, doctor of history; G. Gekhamyan, doctor of history; V. Khazakhetyan, doctor of history; A. Grgyasharyan, doctor of history.

Prospects of Independence Reviewed
46050029e Montreal HORIZON in Armenian 22 May 89 p 6

[Editorial: "Yearning for Independence Never Dies"]

[Excerpts] Once again we celebrate 28 May, the anniversary of the establishment of the Armenian Republic and the reinstatement of Armenian statehood and the symbol of our independence. [passage omitted]

Our fortunes have associated us with a large family of nations on whose advancement and development our fate depends.

When some people ask us why we do not call for the secession of Armenia from that family—our association with whom has forced us to offer many martyrs and to make very big sacrifices—our answer is clear.

You must not only want independence, you must also be able to take it; you must not only be able to take it, you must also be able to keep it.

Moreover, as a nation we are faced not only with the problem of independence, but also, and perhaps more importantly, the vital problems of unifying our lands and our people, which mandate that we pursue those problems first.

Soviet Armenia does not fulfill the essential requisites for independence in its present state. It does not fulfill them now, but that may be different tomorrow. Similarly, the current state of the world does not inspire any confidence that our independence would be assured.

That does not mean, however, that Armenia must not seek that independence.

In addition, economic and cultural factors outweigh political factors as requisites for a nation's independent existence. Soviet Armenia has a long way to go to establish its sovereignty in those areas.

That is why every initiative undertaken and every battle fought for the preservation of Soviet Armenia's identity brings the desired independence closer to realization.

For 70 years, the Soviet Union perpetuated its existence by brutally repressing the yearnings of its constituent nations for independence and by trying to suppress any moves for self-determination. But it did not succeed. Not only Armenia, but perhaps all the Soviet republics did not renounce their identity and their right of preserving their national character.

Having realized that situation, today Soviet authorities speak about turning the republics into self-sufficient and sovereign entities. They have already prepared a plan in that direction.

Are the leaders of Kremlin aware that a multinational conglomerate like the Soviet Union can have the right to exist only if each one of its individual members feels that its collective existence is secure, that its national dignity is respected and that its national yearnings are achievable?

If yes, then independence may come much earlier than we expect, when the Soviet Union is transformed into a voluntary federation of sovereign and independent nations which take part in that federation on the basis of mutual interests and mutual obligations.

If not and if the current efforts at reform fail, then independence may once again come earlier than we expect with the collapse of the Soviet Union and other unpredictable consequences.

In both cases we must be prepared to take charge of our responsibilities before history.

This must be the lesson of 28 May.

Yerevan Demonstration Detailed
46050029d Montreal HORIZON in Armenian
22 May 89 pp 1, 4

[Excerpt] More than 500,000 people from Yerevan and its environs participated in an authorized gathering held between 6 and 11 pm in front of Matenadaran [National Library] in Yerevan on 11 May.

The demonstrators urged the Armenian Supreme Soviet to convene a special meeting before 20 May and to pass a resolution demanding from the USSR Congress of

People's Deputies, which is scheduled to meet on 25 May, the unification of NKAO [Nagorno Karabakh Autonomous Oblast] with Soviet Armenia.

The speakers at the gathering also demanded the release of the leaders of the Karabakh movement, the lifting of martial law, improvement of the relief work for earthquake victims and the declaration of 28 May as the Day of formation of the Armenian state.

The opening speech of the gathering was delivered by Yerjanik Abgaryan, a representative of the Armenian Pannational Movement [APM].

The officials who addressed the gathering included the military commander of the Yerevan martial law region who said in response to a question that martial law in Armenia was established with Moscow's decision and the consent of the Armenian Supreme Soviet. Then, S. Avetisyan, a member of the Presidium of the Armenian Supreme Soviet, said that the Armenian authorities not only did not express such consent, they were not even informed of the decision.

The gathering was also addressed by Sos Sargsyan, Galina Starovoydova and Karen Simonyan, the three candidates which are supported by the APM. Another speaker was Bishop Barkev, the prelate of the newly formed parish of Artsakh; former hunger strikers Vahram Tatikyan and Varak Arakelyan; Lutfik Khachadryan, a representative of the Defense Committee for the Fourteen; APM founder-leader A. Sadoyan; Janna Galstyan, a member of the Krunck Committee of Artsakh; V. Grigoryan, secretary of the Marduni raykom in Karabakh and USSR People's Deputy; and Karabakh Committee member Aleksan Akobyan.

Dialog?

At a time when the Armenians of Artsakh have joined the people of Armenia to express their dissatisfaction with the Soviet Armenian leadership, work is under way in Yerevan to initiate a dialog between [the government] and the unofficial organizations in Armenia. However, it is not very clear whether those efforts are sincere or whether they are designed to prolong the final days of a leadership which has alienated itself from the people.

Nevertheless, on 28 April it was decided in the Yerevan City Council to hold "round table" talks with all unofficial organizations. During the 11 May gathering, Galust Galoyan, the third secretary of the Armenian Communist Party and the chairman of the party's ideology committee, and Yerevan citycom secretary Minasbekyan had a "warm" dialog with the participants in the gathering. The same day, Armenian Supreme Soviet Presidium member Avedisyan said from the same forum that the Armenian Supreme Soviet Presidium has investigated the appeal of public organizations for official recognition and has found no laws on the basis of which such organizations can be granted official recognition. [passage omitted]

REGIONAL AFFAIRS

Gulf States View Significance of Solution to Lebanese Crisis

44040406 Beirut AL-NAHAR AL'ARABI WA
AL-DUWALI in Arabic 13-19 Mar 89 p 29

[Article by 'Ali Hashim: "Saving Lebanon to Prevent the Gulf's Downfall"]

[Text] Gulf problems have diminished while Arab problems have grown. It cannot be said that the Gulf now has no problems; it has many problems, but they have grown smaller in that they have turned into problems of the war's aftermath. Then they grew and expanded to include the Gulf region as a whole, and after that the Middle East region.

The ministerial council of the GCC [Gulf Corporation Council] is made up of the foreign ministers of the six states, namely: Emir Sa'ud al-Faysal (Saudi Arabia); Shaykh Sabah al-Ahmad (Kuwait); Shaykh Muhammad ibn Mubarak Al Khalifah (Bahrain); Shaykh Ahmad Ibn-Sayf Al Thani (Qatar); Shaykh Rashid 'Abdallah al-Nu'aymi (United Arab Emirates); and Yusuf al-'Alawi 'Abdallah (Sultanate of Oman). This council held its ordinary meeting in its thirtieth session in Riyadh.

An ordinary meeting of an ordinary session? No! The meeting was more than ordinary, even if the session was ordinary.

The GCC is no longer alone on the stage. The problems of the Maghreb council of the Arab North African states are related to the European Common Market more than they are to Arab problems as a whole.

But there is the new Arab Cooperation Council which is comprised of Iraq, Egypt, Yemen, and Jordan. The council will extend to surround the GCC from all directions, north, south, east and west. The new council is not a challenge to the GCC, which is the basis of the new Arab groups, nor is it a rival, but its formation throws the old council into confusion and forces it to change its tactical, but not its strategic policy.

Of course the officials of the GCC are all smiles. They welcome the new council. But do the smiles hide some anxiety, and does the welcome mask a certain amount of questioning?

What is important is that the stated goal of the Riyadh meeting might not be to study the establishment of a new cooperation council, nor the approach or position that should be taken towards it, because there are emergency issues that deserve attention, even if it is not quickly forthcoming.

The Lebanese Problem

The most important and most urgent of these issues is the Lebanese problem and the role of the six member Arab committee. Though it may be Arab in a general way with respect to composition and direction, it is Gulf in depth. Its chairman is from the Gulf; he would not have accepted the responsibility of this chairmanship if he were not confident that the Lebanese "stew" was done, and that all the cooks—those neighboring and those east and west—had grown tired or had decided to stop "cooking," whatever the consequences.

Besides the Kuwaiti deputy prime minister and foreign minister Shaykh al-Ahmad al-Jabir al-Sabah being chairman of the committee, the state of United Arab Emirates is a member of the committee. And the Emirates means its president Shaykh Zayid Ibn-Sultan Al Nuhayyan, who brought out the Lebanese issue with his famous call to the Arabs to act to save Lebanon.

Lebanon's situation is tragic, as the people of the Gulf know, and it is linked to the Arab Gulf as a whole. For a long time the Gulf has been following Lebanon's footsteps in all aspects of life, and it has become closely connected to it in the sense that it pursues a free economic system, a democratic line (even parliamentary, albeit in a tribal Gulf form), a free press, and freedom of opinion and speech. Lebanon used to be an oasis for the people of the Gulf in the Arabian desert, and the collapse of its formula means an end to the hopes of the Gulf and its people. Therefore the Gulf resolution was: Lebanon and its formula must be saved in order to save the Gulf formula.

Therefore the ministerial council of the GCC stressed that it was essential to save Lebanon.

Thus, before the Riyadh meeting, Shaykh Sabah headed to Damascus to consult with officials there, and from Damascus he went to Riyadh, where he conveyed to the foreign ministers of the GCC states the facts of the Lebanese situation in the Syrian capital.

This is one thing. But if one examines it, one sees that the decision regarding it, or the "tactic" to deal with the situation, remains a secret, because the Lebanese question must be dealt with quietly and without commotion.

Gulf Peace

The second Gulf concern is the issue of a permanent and just peace in the Gulf, that is, forcing Iran and Iraq to make a peace treaty.

While the ministerial council naturally tacitly supports Iraq in all its positions, it is no longer as rigid towards Iran as it had been during the war. Therefore, the council

took steps, some of which have the responsibility of bringing Iraqi-Iranian points of view closer to one another and solving related problems, especially that of prisoner exchange.

This problem might be taken on by the Omani minister of state for foreign affairs Mr Yusuf al-'Alawi 'Abdallah, who is acting now and negotiating with the Iranians on freeing the Egyptians whom they have detained, not all of whom are prisoners of war. Some of them are fishermen, who were captured in international waters, and some are workers who were working in Iraqi establishments. Freeing the Egyptians is a first step, after which will come the phase of overall prisoner exchange.

After these problems comes the Palestinian one, to which the ministerial council decided to give its full support. It also authorized the PLO to make whatever decision on the Palestinian future it believes to be appropriate for maneuvering and winning world public opinion.

Also to support the intifadah wholly and supply it with aid, not only moral, but material as well.

These are the concerns of the GCC, and they were those of its ministerial council. They will all continue to be problems if a final solution is not found, passing in stages through ordinary meetings in ordinary or emergency sessions until the upcoming tenth Gulf summit is held in the Sultanate of Oman.

EC Market Move Will Help Gulf Banks
44000581c Manama GULF DAILY NEWS
in English 27 Jun 89 p 11

[Text] Manama—Gulf banks should be able to take advantage of major new business, with the creation of a single European Community (EC) market in 1992, according to a Bahrain-based economist.

The main opportunities would be in the retail banking sector, serving small and medium-sized firms, whose activities should grow in the new integrated Euro-market, said Dr Henry 'Azzam.

The Gulf's major international banks already had a strong presence in London, providing services to large EC companies with business in the region, said Dr 'Azzam, chief economist at Gulf International Bank.

"Various strategies are being pursued by a number of non-EC banks, including those from the Gulf, who are keen on capturing part of the potentially-burgeoning business," he said in his latest GULF ECONOMIC AND FINANCIAL REPORT.

These include buying an EC-incorporated institution or creating an EC-based subsidiary prior to 1992 said Dr 'Azzam.

Gulf Petrochemical Industry Threatened by EC Curbs

44000581b Manama GULF DAILY NEWS
in English 26 Jun 89 p 14

[Text] Manama—The survival of the Gulf's petrochemical industry will be threatened if European export markets are restricted by trade barriers, a Bahrain-based economist has warned.

The GCC [Gulf Corporation Council] had no alternative but to "pursue forcefully" a free trade agreement with the European Community (EC) in the run-up to the single EC market in 1992, said Dr Henry 'Azzam.

Dr 'Azzam, chief economist at Gulf International Bank, said any agreement would have to cover petrochemicals, presently subjected to EC tariff barriers.

"In the absence of a trade agreement with Europe, the GCC may increase its trade relations with countries that do not impose restrictions on imports of Gulf petrochemicals," he said.

Restrictions on petrochemical exports would threaten the industry's survival, forcing Gulf states to take "retaliatory measures."

Such action would severely hit Europe's "massive exports" of goods and services to the region, said Dr 'Azzam in his monthly GULF ECONOMIC AND FINANCIAL REPORT.

Despite the concern over 1992, Gulf states were viewing it with "restrained optimism and realism," he said.

GCC states had always supported a free trade policy and could only expect reciprocal treatment on their petrochemical exports, he said.

Europe stood to benefit from cheaper basic petrochemicals from the Gulf, allowing its own producers to move upmarket into more specialised products, said Dr 'Azzam.

France-GCC Trade Cooperation Reported
44040458c Muscat 'UMAN in Arabic 29 Apr 89 p 7

[Article by Haydar ibn 'Abd-al-Rida: "Trade Relations between GCC Countries and France; Value of Oman's Non-Oil Exports to France Rises during Past 9 Months"]

[Text] France is trying hard to develop its economic and trade relations with Arabian Gulf countries that are members of the GCC [Gulf Corporation Council]. French officials announced recently that the main reason which induced them to steer their economic activity in the direction of the GCC countries was the need to steer French foreign trade toward markets which can meet their obligations.

France has set up a special program to participate in trade fairs which are set to be held this year in the countries of the GCC. France's interest in Gulf markets comes as a result of a decline in French exports to GCC countries in recent years. French statistics indicate that the volume of French exports declined from 21 billion francs in 1984 to 11 billion francs in 1987. France's share in Gulf markets amounted to 6 percent, compared to 8 percent for the Federal Republic of Germany, 8 percent for Britain, 15.7 percent for Japan, and 17.5 percent for the United States.

Francois David, the director of foreign economic relations in France's Ministry of the Economy affirmed to local newspapers recently that the main reason for improving the position of French companies in GCC countries had to do with the fact that the wealth which the six countries have from their oil cannot be ignored. He said their financial possessions were extremely significant and their debts were almost non-existent. He said the purchasing power of the population in those countries was high, and he indicated that France had to regain those markets, given the new situation which is being experienced in the GCC countries, now that the Iraq-Iran war has come to an end. Now, the GCC countries are inclined to develop the areas of trade, industry, and agriculture.

The French official talked about the most important plans which were made by France to develop its trade relations with the GCC countries. He said that his country had set up a program for participating in numerous trade and industrial fairs in the GCC countries this year. In addition, France is to organize "the French season" in the GCC countries for the purpose of restoring to French companies an awareness of the special importance of the markets in the GCC countries. France is trying to establish ongoing relations between businessmen in France and businessmen in the six countries.

The Volume of Foreign Trade Between the Sultanate and France

A look at the volume of foreign trade between the Sultanate and France shows that the figures of the Development Council indicate that during the past 4 years the value of Oman's non-oil exports to France rose. During the first 9 months of 1988, that is, last year, the value of non-oil exports amounted to approximately 1.88 Omani riyals [as published] compared with 839,000 riyals in 1987; 1.6 million riyals in 1986; and 1.4 million riyals in 1985.

At the same time, figures published by the Development Council indicate that during the first 9 months of the past year the value of Oman's imports from France amounted to approximately 21 million Omani riyals, compared to 25.2 million in 1987.

Statistics indicate that France's market share in the sultanate is approximately 3.6 percent. This puts France in eighth position as a trading partner. France's position follows that of the United Arab Emirates, which has 21 percent of the market in the sultanate; and it follows Japan, with 15.3 percent; Britain, with 14.7 percent; the Federal Republic of Germany, with 8 percent; the United States, with 6.7 percent; and India, with 3.7 percent. French statistics indicate, however, that in 1987 the value of French exports to the sultanate amounted to 386 million francs. This confirms the fact that France's presence in the sultanate [as a trading partner] is soft and weak.

From that premise France will organize the French season next fall in some GCC countries to inform French companies about the needs of Gulf markets. France will acquaint French companies with the characteristics of these markets, employing several main approaches to impress upon these companies the need to create joint investment companies to which French companies would contribute a few projects. France will try to develop services in the oil derivatives sector, and it will try to promote advanced French technology. In addition, it will try to provide easy financial terms to sell industrial and technical equipment.

Volume of Trade Between France and GCC Countries

French statistics indicate that France holds sixth position among the countries which export goods to the Kingdom of Saudi Arabia. This does not include the value of the weapons exported to Saudi Arabia. In 1987 France's share of the Saudi market was 5.6 percent, which represents about 6.65 billion francs. Britain's share of the Saudi market is 7.3 percent; Italy's is 7.3 percent; Germany's (the Federal Republic) is 8.1 percent; Japan, 15.1 percent; and the United States, 17.5 percent.

In Bahrain France's presence is manifested by a group of French offshore banks, by a few firms specializing in construction, and by commercial agencies. The volume of France's foreign trade with Bahrain puts it in fifth position in that country after Britain, the Federal Republic of Germany, Italy, and the Netherlands.

At the same time, there are more than 100 French firms in the United Arab Emirates where France holds fifth position among the countries exporting goods to the Emirates. France's position follows that of Japan, Britain, the United States, and the Federal Republic of Germany. Abu Dhabi receives approximately 46 percent of French exports to the Emirates. In 1986 Abu Dhabi's share of French exports fell to approximately 34 percent, but in 1987 French exports to the Emirates improved by 9.4 percent, and the value of French exports to the Emirates rose to 2.5 billion francs.

Kuwait is considered one of the European community's largest trading partners. But among the countries which export goods to Kuwait, France holds fifth position after Japan, the United States, the Federal Republic of Germany, and Britain. French figures indicate that in 1987 exports to Kuwait fell to 2 billion francs. However, French companies strengthened their positions in public works and water distribution operations and in the construction sector.

As far as Qatar is concerned, France holds sixth position among the countries which export goods to that country. In 1986 French exports to Qatar declined by 45 percent. In 1987 they declined by 10 percent, when one compares that year's trade figures with those of 1981 and 1985 which were between 800 million and 1.2 billion francs. A weak demand for French equipment, which constituted between 50 and 70 percent of total French sales, accounts for this decline. Japan holds first position among the countries which export goods to Qatar. Japanese exports make up 17 percent of all goods exported to Qatar. Japan is followed by Britain, whose exports to Qatar represent 16.5 percent of all goods exported to that country; by the Federal Republic of Germany with between 6 and 9 percent; the United States, with 5.9 percent; and by Italy, whose exports represent 5 percent of all goods exported to Qatar.

Drop in GCC Trade Debts Reported

44040458a Muscat 'UMAN in Arabic 4 May 89 p 10

[Article: "After 4 Years of Decline Economic Activities in GCC Countries Improve; Foreign Trade Debts Dropping"]

[Text] Al-Manamah (WAKH)—A banking study has confirmed that a noticeable improvement has occurred in the GCC [Gulf Corporation Council] countries' economic activities in 1987 and 1988. This improvement follows a 4-year period during which such activities had been sluggish.

The study, which was included in the monthly bulletin of the International Gulf Bank whose main office is in Bahrain, revealed that the GCC countries' foreign trade debts had dropped from \$7.145 billion in 1986 to \$6.5 billion in 1987. The report also revealed that in June 1988, that is, last year, the foreign trade debt had fallen to \$4.9 billion. This figure equals five percent of the GCC countries' GNP [gross national product].

The study attributed this drop in indebtedness to the decline in secured credit from sources other than banks, which fell from \$5.1 in 1986 to \$3.7 billion in June 1988.

Commercial credit from banks improved slightly during the same period, reaching \$1.3 billion by the end of June 1988. At the same time there was no significant change in the volume of commercial credit to economic sectors

in the GCC countries from sources other than banks and from local banks. This credit rose from \$14.4 billion in 1986 to approximately \$15 billion in 1987.

The main topic of the study, which was prepared by Dr Henry 'Azzam, an official of the bank's Economic Department, was devoted to the subject of financing trade in the GCC countries. The study revealed that the total surplus in these countries' balance of trade will drop from \$12.933 billion in 1988 to \$11.505 billion in 1989, even though these countries' exports will rise to \$53.796 billion by the end of 1989. This expectation is attributable primarily to the fact that the value of the area's imports rose from \$39.787 billion in 1988 to \$42.291 billion in 1989. That increase in value has been caused by financing the importation of some production requirements, primary materials, or other articles.

Because of the economic recession from 1982 to 1986 the total decline in the GCC countries' imported goods amounted to 38 percent. During the same period the decline in these countries' GNP exceeded 40 percent. This happened after road building activities were almost completed and after construction was almost completed on airports, ports, universities, power plants, heavy industries, and other establishments.

The bulletin stated that import and export financing operations in the Gulf area were undergoing fundamental changes as the markets turn away from the immediate payment method to finance trade operations in favor of credit. Exporters and importers are trying to find new ways to finance trade. These include financing exports without going back to exporters; financing exports by obtaining funds from Islamic banks that do not charge high rates of interest; and making barter arrangements. So far, financing trade operations is the principal activity of commercial banks in the Gulf. But the decline in the volume of imports during the past few years as a result of the slowing down of the area's economy cut down on this activity. During the period from 1984 to 1986 the volume of loans from these banks to the trade sector in the six GCC countries fell, but it rose once again in the following years.

The figures in the combined budgets of commercial banks in the Gulf show that bank loans fell from \$16 billion in 1984 to \$15 billion in 1985. In 1986 these loans fell further to \$14.4 billion. In 1987 there was a slight improvement as bank loans rose to \$14.8 billion.

The bulletin added that at the present time the area's markets are considered more competitive than they were before. Also, changes which occurred in the past few years in the nature of these markets and in their volume of trade had a profound effect on foreign suppliers. While demand for consumer goods declined, demand for intermediary goods and equipment continued to grow as a result of the efforts which are being made by countries in the area to develop their industries.

The bulletin made it clear that despite the changes which occurred in the wake of the area's recession, the economies of the Gulf countries were still open to trade.

These countries rarely impose restrictions on imports: they do not impose import fees or set import quotas to restrict imports. Moreover, during the past decade revenues from exports were more than enough to cover total payments for imports. Despite some of the pressures entailed by the balance of payments because of the decline in oil prices, governments in the area remain opposed to the principle of imposing restrictions on imports.

The bulletin predicted that local activities in the Gulf market will continue to improve in the coming years because the private sector's confidence was growing. The governments of the area expect the private sector to play a bigger role, especially since the Iraq-Iran war has come to an end and confidence in financial and trade circles has been growing.

Economic Report Calls for GCC Currency Union
44040464 Muscat AL-WATAN in Arabic 6 Jun 89 p 7

[Article: "GCC Countries Now Ready for Establishment of Full Currency Union"]

[Text] An economic report affirmed that factors of economic deflation, stagnation, and recession, acting together, gave new impetus to the goal of monetary cooperation between the GCC [Gulf Cooperation Council] countries and, eventually, that of having one currency. This goal is stipulated in Article 22 of the Uniform Economic Agreement.

The report stated that the most attractive proposal had to do with linking Gulf currencies with a unit of special withdrawal rights allowing principal traders and trading companies to withdraw from a basket of currencies where the dollar would be estimated to outweigh the currencies in this basket by 42 percent.

A report by the Arab Bank Limited added that the rise in the relative value of American currency in the unit of special withdrawal rights did not encourage the GCC countries to accept such a link to their currencies. These currencies are basically tied to the dollar either officially, as the Omani rial is, or in practice, as the remaining currencies of the GCC countries are. The Kuwaiti dinar is the only currency which is tied to the unit of special withdrawal rights.

There is no doubt that the U.S. dollar was not used in pricing most of the products exported by the GCC countries—oil, oil derivatives, and oil products. But that, in conjunction with other objective considerations, such as the fact that the value of most foreign assets owned by these countries is based on the dollar itself,

contributed to a considerable slowing down of the process of taking a step to break the link between the U.S. dollar and the currencies of the GCC countries.

The report stated that monetary circles in the Gulf are being pressed once again for an answer to this question because the rate of exchange for the dollar has been on a downward trend since the fall of 1985 and because the expectation is spreading that the dollar will decline further in the future. These monetary circles are being called upon to come up with a definitive answer. They are being asked to determine which choices would be better and which would be more realistic to make the rates of exchange for the GCC countries' currencies illustrate the strength and weakness of the Gulf countries' economies and reflect any surplus or deficit they may have in their balance of foreign trade.

Thus, the first step to be taken by GCC countries to reflect their choice that the link between their currencies and the dollar would be broken may be traced by reviewing the resolutions made by the heads of these countries' currency boards. These resolutions were made at a meeting for these officials which was held in Abu Dhabi in February 1987. At that meeting choosing a common base to standardize policies on rates of exchange for the GCC countries' currencies was discussed officially for the first time. Official talks were also held at that meeting on forming a technical committee of experts representing the monetary institutions and the central banks in GCC countries to propose technical procedures and ways of using the common base invariable in operations for the purpose of standardizing policies on the rates of exchange for Gulf currencies.

This step which represents the first shift in that regard to turn intentions into actual practices and procedures was taken only 3 months after October 1986 when the Financial and Economic Cooperation Committee approved preliminary steps that would eventually enable the GCC countries to coordinate the rate of exchange for Gulf currencies. That would be one of the early stages in a process aimed at achieving one currency for these countries.

The economic report affirmed that the historic stage which the GCC countries were going through was the most appropriate stage for making progress toward economic and monetary integration. The report also affirmed that the six countries that are members of the council were now ready for the establishment of full monetary unity between them.

The report called [upon the GCC countries] to take the conditions of the oil market into consideration since government spending in the GCC countries, which is financed by oil returns, is considered the decisive factor in determining the volume of economic activity in those countries. Thus, any proposed monetary policy would actually be associated with established fiscal policies.

Although technical measures concerning a link between the currencies of GCC countries and a common invariable factor are still under close scrutiny, since the kind of step which will likely be taken is an important one, some sources indicate, according to the report, that the proposed new rate of exchange system for Gulf currencies, which determined initially that the link with the dollar was to be broken, resembles the European currency system to a large extent. It is expected that the currencies of GCC countries will be tied to a common exchange system that would allow central banks and monetary institutions in the Gulf to interfere on a broad scale to preserve the agreed upon par value. This would be done after each country decides the basic value it wishes to use to link its national currency with the common exchange system, thereby allowing the rate of exchange to fluctuate up or down within a margin of 7.25 percent of the common base.

According to the report, such a system assumes that currency boards in the GCC countries will deposit equal amounts in a common fund which would be used to intervene when the exchange rate for any Gulf currency has to be shored up, if it is determined that the exchange rate for that currency had dropped below the agreed upon margin.

This system also assumes that the six GCC countries will choose currencies that are close to those which make up the unit of special withdrawal rights. The system assumes that the weight which is used to determine value in the proposed basket of currencies illustrates the structure of foreign trade.

Consequently, the report expected that while the dollar would make up approximately 60 percent of the weight of this proposed basket, the Japanese yen would make up about 13 percent; the pound sterling, 9 percent; the Deutschmark, 6 percent; the Italian lira 6 percent; and, finally, the French franc, 5 percent.

The economic report affirmed that going ahead with this significant monetary step essentially requires other complementary agreements between the GCC countries. These agreements would pertain to the currency bloc which is being followed by the GCC countries. In taking such a step significant progress was made to integrate the currency. This step is the first such step to be taken by Arab countries.

Gulf Industrialists To Meet To Promote Regional Growth

44040459 Muscat 'UMAN in Arabic 13 May 89 p 7

[Article by Haydar ibn 'Abd-al-Rida: "Sultanate To Host Third Conference for Gulf Industrialists Next November; Conference To Discuss Private Sector's Role in Gulf Industry, Required Tasks To Prepare National Cadres; Legislation Pertaining to Gulf Industry Caused Industrial Projects To Prosper During Past Years"]

[Text] The third conference for industrialists in the Arabian Gulf countries is to be held in the Sultanate during the first week of next November. It is to coincide

with the opening of the Gulf Industrial Fair which is jointly held in Muscat by Arabian Gulf countries that are members of the GCC [Gulf Corporation Council].

Representatives of the General Secretariat of the GCC will participate in the business of the conference. Other participants will include representatives of the Gulf Organization for Industrial Consultations, the Federation of Chambers of Commerce and Industry in the Arabian Gulf countries; and representatives of industrial organizations, corporations, and companies in the Gulf.

The conference will also bring together a select group of Gulf businessmen and industrialists. It has been determined that six action papers, which have been approved by the Follow-Up Committee that met recently in al-Dawhah, will be presented at the conference. Oman's Chamber of Commerce and Industry will present a paper entitled "Tasks To Be Done by the Private Sector To Prepare National Cadres." Other papers will deal with "The Private Sector's Role in Gulf Industry, Its Present Position, and Approaches to Its Development." Another paper is entitled "Appropriate Policies and Methods for Stimulating the Private Sector's Role in Industrial Development and the Required Measures, Means, Policies, and Tools for Successfully Turning Publicly Owned Institutions of Industrial Production to Private Sector Ownership." The latter paper deals with two experiments in that field. One experiment was carried out by the Saudi Company for Basic Industries, SABIC, and the other was carried out by the Iraqi Republic in the industrial field.

This conference is being convened at a time when the importance of industry as one of the mainstays of the nation's revenues is growing. In addition, the private sector in the Gulf is becoming more important, and its role of assuming responsibilities in the field of industrial investments is growing. The private sector is contributing to the establishment of national and joint companies in the Gulf which specialize in processing agricultural products and fish and in manufacturing consumer goods.

Supporting Industry in the Gulf

From that premise Arabian Gulf countries are devoting increasing attention to the task of stimulating and supporting the industrial sectors. Special laws pertaining to foreign industrial investments provide much flexibility to allow the free movement of capital. These laws removed impediments to the movement of capital so that funds can be transferred from and to most Arabian Gulf countries. These laws also stipulate that no controls be placed over rates of exchange or the re-transfer of profits. In addition, these laws are trying to provide a good climate for joint foreign investments. For example, when joint industrial projects are established, simple rules are applied to the tax law, and joint foreign investments are exempt from taxes for a period of between 5 and 10 years. Exports produced by these

projects are exempted from fees and taxes. These laws provide that foreign and national companies receive assistance in identifying and discovering lucrative investment opportunities.

GCC Countries Import 85 Percent of Needs Every Year

Although Arab countries are devising policies to develop their industrial and agricultural sectors so they can limit foreign imports, these countries are still afflicted with a big increase in imports every year. According to a study by the Federation of Arabian Gulf Chambers, an examination of the GCC countries' imports, for example, shows that these countries constitute the eighth largest import market in the world. The GCC countries' foreign imports represent approximately 85 percent of total local needs. This means that locally manufactured goods do not exceed 15 percent of required needs.

Given that fact, the current situation makes it essential that Gulf industrialists and businessmen be strongly persuaded to invest in industry in goal-oriented productive sectors. Investments should be increased by continuing to encourage the participation of foreign capital in industrial projects and by utilizing the modern technology which is held by foreign investors. Industrial projects which are consistent with economic development plans and national social plans should be chosen. The countries of the region must have a clear vision of industrial development strategies in the region to avoid conflicts in the common interests we are striving to achieve for our future generations. [We want to] achieve total integration of all the parts in the cycle of industrial production in the various fields. We do not want to have redundant and similar industrial processes in the Gulf because the success of some of these industries would be achieved at the expense of sluggishness in other industries.

Conclusions of the Gulf-Japanese Council

The most recent report produced by the Cooperation Council, which met last March in the Japanese capital and involved meetings between officials of the Arabian Gulf countries and Japanese officials, indicates that the Arabian Gulf countries are considered among the Middle East area's leading nations in the availability of industrial investment opportunities. In addition, the Arabian Gulf countries will experience steady rates of growth during the coming period in the aftermath of oil price increases and the stabilization of oil prices at \$15.00 a barrel. In addition, there is reconstruction in those countries, and there are activities in other areas of development.

In general, the Arabian Gulf area is distinguished by having political stability and a good economic condition. Also, none of these countries is indebted to any foreign country or organization. Furthermore, per capita income for ordinary citizens is high. These countries have the financial resources to finance industrial investment

activities. Gulf markets are seen as one common market operating under the umbrella of the GCC countries' uniform economic agreement.

Having these convictions about the Arabian Gulf countries the Gulf-Japanese Council reached a number of conclusions, the most important of which was that the contribution of the Gulf area's private sector to the development process provided new opportunities for cooperation between the two parties. It made possible the establishment of joint industrial projects, the production of capital goods, and the transfer of technology. In addition, the small and medium business sector will open new prospects for cooperation between Gulf countries and foreign countries in general and between Gulf countries and Japan in particular.

The success achieved by the GCC countries' industrial sector since the mid seventies is due first and foremost to the plans and policies which were devised by the countries of the area to strengthen the role of the private sector in the Gulf. The countries of the area have been following a policy of diversifying national revenue sources. They have been completing construction of infrastructure facilities and emphasizing the practices of a free economic system as the foundation for comprehensive economic and social development.

Central Bulk Wheat Store To Supply GCC States
4400581a Manama GULF DAILY NEWS
in English 25 Jun 89 p 4

[Article by Colin Young: "Gulf Grain Store Bid Needs Threshing Out Says Chief"]

[Text] More talks will have to [be] held on plans for a central bulk wheat store to supply Bahrain and other Gulf states, said Shamsan al-Waswasi, general manager of Bahrain Flour Mills Company (BFMC).

A recent meeting of GCC [Gulf Corporation Council] flour mill chiefs in the UAE [United Arab Emirates] left many points still to be resolved on the scheme for a central Gulf store in Dubai for Australian wheat.

The aim of the plan is to store the wheat in silos in Dubai and distribute it throughout the region, leading to cost savings for Gulf states.

Bahrain could save between \$5 (BD1.8) and \$10 (BD3.7) a tonne, according to studies.

But details of the plan still needed to be sorted out, said Mr Shamsan al-Waswasi.

Timing

"Every state has its own requirements and careful study is needed on how much grain can be stored, the timing of shipments and so on," said Mr al-Waswasi.

Australian grain accounts for about 20 per cent of the 50,000 tonnes milled by BFMC annually.

The special hard wheat is needed for certain types of flour, but it means ordering about 20,000 tonnes at a time and waiting two months for delivery.

Doubled

A bulk stock in the UAE would mean smaller loads of around 2,000 tonnes could be shipped to the island, said the company.

Most of its wheat comes from Saudi Arabia, which earlier this year doubled the price from \$80 (BD30) a tonne to between \$160 (BD60) and \$180 (Bd67).

BFMC has 10,000 tonnes of each variety in stock, which was enough to last for the rest of the year, said Mr al-Waswasi.

GCC Agricultural Affairs Discussed

44040458b Muscat *'UMAN in Arabic 1 May 89 p 7*

[Article: "Secretary General of Arabian Gulf Chambers Notes Major Interest in Improving, Modernizing Agricultural Sector; Development Efforts Being Made To Confront Nature of Land, Limited Water Supply"]

[Text] Al-Dammam (WAKH)—Mr Muhammad 'Abdallah al-Mulla, secretary general of the Council of Chambers of Commerce in the Arabian Gulf, affirmed that the matter of improving and modernizing the agricultural sector was attracting the attention of economic activists working in this vital and important sector. They want returns from that sector to become commensurate with the large investments which were made in that sector and with the many benefits which were given to it in the Arabian Gulf countries.

In the chamber's periodical publication al-Mulla said that agriculture in the Gulf was facing a common situation regarding the nature of the land, the climate, and the scarce supply of water. While development efforts made by the countries of the region have been aimed at finding successful and lasting solutions to such obstacles, governments in the area have been giving their special care and joint attention to land reclamation services, fertilization, agricultural guidance, and the development and diversification of water sources. They have been giving their attention to efforts that are being made to provide the components of production and modernize agricultural and irrigation methods, and they have been sponsoring serious efforts which are being made to coordinate the GCC [Gulf Corporation Council] countries' agricultural policies and plans.

Mr al-Mulla indicated that because individually owned farmland lots are scattered and small, the maximum benefit from the nations' policies and preparations was not realized. It is known that the Kingdom of Saudi

Arabia's success in becoming self-sufficient in wheat was not achieved until large agricultural corporations were established. This is because agricultural investment is more costly when it comes to land reclamation, modern irrigation systems, soil analysis, and setting up the necessary apparatuses for agricultural production. In addition, because there are practical dangers and difficulties, Arabian Gulf countries which wish to become more self-sufficient in food must collectively adopt the course of establishing joint major agricultural projects which integrate resources with encouragement from the country where the project will be set up. Thus, while one country would contribute by designating part of its land or agricultural resources to the project, the remaining countries would contribute by ensuring that the needs and requirements of Gulf production are met. The private sector would participate in these efforts to bring about a fair distribution of responsibilities and benefits.

The General Secretariat of the Federation of Chambers of Commerce in the Arabian Gulf affirms that the joint projects model represents the proper approach to agricultural development under current economic conditions because it provides the possibility for establishing large agricultural projects that would benefit from the savings realized by a large volume. Such large projects would facilitate the use of modern irrigation and agricultural methods to diversify production, and they would link the agricultural sector with other sectors of the economy, integrating it vertically and horizontally with those sectors, especially the industrial sector, where numerous opportunities are available for making joint investments in processing agricultural products and in local projects to produce agricultural production requirements for the Gulf states.

It is worth noting that opportunities for making lucrative investments in the agricultural sector are numerous. Such opportunities exist in the areas of plant, animal, and fish production. Study and inquiry are required, however, to turn those opportunities into joint agricultural projects.

India Reevaluates Its Policy on Israel

44000568x Jerusalem *THE JERUSALEM POST*
in English 20 Jun 89 p 4

[Article by Jess N. Hordes, director of ADL Washington, D.C. office: "India: Rethinking Its Policy on Israel"]

[Text] After decades of hostility to Israel, India may be reassessing its policy and considering ways of gradually improving relations with the Jewish state. How fast and how far this reassessment will go remains to be seen. But impressions gained after five days of meetings in New Delhi and Bombay with government officials, members of Parliament, journalists and others, were that India is considering a change in direction and may incrementally move to normalize ties with Israel. Yet PLO chief Yasir

'Arafat's recent visit to New Delhi and the official courtesies extended to his organization underscore how unbalanced India's policy remains.

The Anti-Defamation League [ADL]'s mission to India was the culmination of more than two years of contacts with Indian representatives in Washington and New York. The dialogue began partly in response to a May 1987 ADL report that was critical of India's hostile and discriminatory attitude toward Israel. The report was issued at the time New Delhi considered forfeiting its Davis Cup tennis match with Israel rather than granting entry visas to the Israeli team. The discussions that were initiated enabled issues of mutual concern to be explored, and provided the ADL with an opportunity to explain the impact of India's policy on its image in the United States and, particularly, on the American Jewish community.

Indian unfriendliness predates the founding of both states. India's national independence movement supported only Arab aspirations in Palestine during the British Mandate. When India gained independence in 1947, it opposed the United Nations plan to partition Palestine, and in 1948 voted against Israel's admission to the UN. Although India finally recognized Israel in 1950, it has never established full diplomatic relations with it, confining Israeli representation to the consular level in Bombay and subsequently placing travel restrictions on the consular staff.

Requests by Israel to gain a diplomatic presence in New Delhi, the nation's capital, have been consistently rejected, notwithstanding the fact that all Arab states and the PLO maintain embassies in New Delhi. India does not have diplomatic representation in Israel.

New Delhi's animosity toward Israel also has been reflected at the UN where its voting record, its co-sponsorship of anti-Israel solutions, and its harshly critical statements against Israel have rivaled those of some Arab countries. Moreover, it has engaged in a pattern of discrimination against Israeli citizens, often denying them visas to enter the country to participate in international scientific, cultural and athletic events. Restrictive visa procedures have also dampened Israeli tourism and complicated attempts by Israelis to Indian origin to visit family and relatives in their former homeland.

Yet, in discussions with a broad cross section of Indians, we found great sympathy for Israel and administration for its achievement. This view prevailed even in important government circles, although some disagreed with specific Israeli policies. Israel's ability to stand up for its rights in a hostile environment; the strength, organization and capabilities of the Israel Defence Forces; the nation-building techniques used in melding immigrants from all over the world into a single state; and the scientific expertise evidenced in solar energy technology,

water management, conservation and agricultural methods were often mentioned. Moreover, according to Jewish leaders in Bombay where most of the remaining 5,000 Jews reside, the community has never faced anti-Semitic discrimination, enjoys complete religious freedom and continues to participate fully in civic life. The bulk of India's Jewish community emigrated to Israel since 1948.

India's unwillingness to normalize ties with Israel has been explained as related to demographic, geostrategic, economic and ideological considerations. The Muslim population of some 100 million people; political rivalry with Pakistan leading to competition for Arab support in international organizations; commercial ties with neighbouring Gulf states; and leadership in the non-aligned movement with its traditional anti-Western orientation have strongly skewed India's policy in favour of the Arabs and against Israel.

The meeting with the foreign minister, senior Foreign Ministry officials, members of the prime minister's staff and others, we suggested that this policy and its rationale were increasingly out of date.

We noted that Egypt, a Muslim nation and formerly bitter enemy, has not only recognized Israel but established full diplomatic relations; that the Soviet Union and Eastern Bloc countries are upgrading ties; that the People's Republic of China is expanding relations, both overt and covert; that Africa countries are renewing formal ties; that India maintained full diplomatic relations with Pakistan even when fundamental disagreements spilled into warfare; that many nations found friendship with Israel could flourish without sacrificing interests in the Arab world; that it was odd for one democracy to treat another so shabbily and that India's articulated interest in middle East peace might be better served if it could speak to both parties from a position of friendship and balance.

Interestingly, many officials acknowledged, without much prompting, the anomalies and anachronisms of their country's policy. Most talked about the need to steer it into rationality and suggested that the basic decision to change direction had already been made. They cautioned that timing was critical and that a gradualist policy of forward movement was the appropriate method for advancing India-Israel relations. More dramatic change could not occur until after elections, expected later this year.

India already has taken a number of steps forward. After much hesitation, it did permit the 1987 Davis Cup tennis match against Israel to proceed on Indian soil. More recently, after nearly six years, it restored the status of Israel's representation in Bombay to its former level, permitting a consul to function there instead of a vice consul. In the state of Maharashtra, of which Bombay is capital, officials have now been instructed to invite the Israeli consul to all state functions.

India also extended the jurisdiction of the consulate, allowing its representatives to function in the neighbouring state of Kerala. Commercial exchanges have been growing and we were assured visa procedures will be normalized. Officials also point to the absence of anti-Israel rhetoric in India's statement at the special UN General Assembly session on the Middle East in Geneva last December.

But this progress only underscores how much remains to be accomplished. To help accelerate the process, ADL is exploring sponsorship of a trilateral conference in India on water conservation and management that would bring together experts from Israel, the U.S. and India. Such a conference could showcase the fruits of Israeli technology and expertise, and concretize the productive benefits of closer relations.

Moves toward improved ties, if done incrementally, could include upgrading the consul in Bombay to consul general, permitting the consul general to conduct official business in New Delhi, and allowing Israel to open an interest section in India's capital.

Diplomat Discusses Sudanese Ties, Conflict With Chad

45040404 London AL-DUSTUR in Arabic
12 Jun 89 p 22

[Report of interview with unnamed Libyan diplomat, by Muhammad Makhluuf: "Where Does al-Qadhdhafi Train Sudanese Militia?"; date and place not given]

[Text] A former Libyan diplomat and opponent of al-Qadhdhafi's regime answered many questions that AL-DUSTUR asked him about the Libya-Chad conflict, the resultant instability in western Sudan, the scope of Libyan-Sudanese relations, and the nature of the military agreements between the two countries. On the strength of his expertise and knowledge of Libyan-Sudanese affairs, the diplomat gave answers about other matters, such as the Sudanese militias al-Qadhdhafi is training in various parts of Libya. He clarified the extent to which the Libyan role was involved in the recent coup in Chad and the Sudan's relation to it.

He explained why the Libyan opposition is not to be found in the Sudan, particularly after the Sudanese government handed al-Qadhdhafi all the information it possessed about the opposition's activities in the Sudanese arena. AL-DUSTUR publishes an exclusive and important map showing the location of militia training camps in Libya.

About the Libya-Chad conflict and the resultant instability in western Sudan, the Libyan diplomat said, "Darfur Region has vital strategic importance both for al-Qadhdhafi and Chad. Indeed, from early years, al-Qadhdhafi has not hidden his desire to join this region to Libyan territory. The government that followed the fall

of Numayri provided a rare opportunity for al-Qadhdhafi to achieve his desires. Under cover of the Ostrich Leg Agricultural Project, his military forces and agents moved in Darfur Region in various ways and by various means, so that the reliance of the people of the region increased with every day. Reports state that these people's feeling of connection with the capital Khartoum began to diminish, especially in view of the deteriorating economic and political situation that began to grip the Sudan in recent years.

"Through al-Qadhdhafi's intensified presence in Darfur Region, it was possible to form networks loyal to him among the region's inhabitants. He also set about distributing quantities of weapons to the inhabitants. The recent disturbances between tribes living in Darfur and the use of guns in these disturbances may be conclusive proof of al-Qadhdhafi's real intentions in distributing these weapons. The significance and importance of this region for al-Qadhdhafi is increased by the continuance and escalation of the conflict between him and President Hissein Habre and by the growing military strength in Chad of the National Front for the Salvation of Libya.

"Al-Qadhdhafi has used his military presence in Darfur to threaten Chad across its borders with the Sudan and to make this threat appear as if it were a danger coming from the Sudan, rather than a result of his plots and intentions. Certainly, the effects and results that this has entailed to date, despite their magnitude, cannot be compared with the results that might result if a new armed confrontation were to occur between al-Qadhdhafi and Chad.

"For Chad, the importance of this region has increased with the confirmation of reports it has about the presence in the region of forces belonging to al-Qadhdhafi and of forces loyal to former Chadian president Goukouni. During the past year, Chadian territory has been penetrated at a number of places across Chad's borders with the Sudan, and a number of battles have been fought. As is well known, this April's attempted coup against President Habre was based on officials from the Chadian Zaghawah tribe. This tribe lives in the areas adjacent to the Sudanese border, and many of its members are located within Sudanese territory. This fact has increased President Habre's fears and apprehensions about his Sudanese neighbors in general, and particularly about the importance and significance of Darfur Region.

"In fact, al-Qadhdhafi's continued intensive presence in this region, whether through elements belonging to the Libyan army or to Goukouni or other al-Qadhdhafi allies, or through agricultural or relief schemes, which are generally used as a cover for illegitimate activities, or through the agents and networks he has been able to set up in the region, this intensive presence not only constitutes a danger for Chad, but has begun to threaten stability in Darfur. It has begun to stir up disturbances

and conflicts between the inhabitants of the region, not to mention the constant threat of separating the region from Sudanese territory and placing it under al-Qadhdhafi's domination."

About the coup that took place this April in Chad and the Libyan role in it, particularly in view of reports in Khartoum that the leaders of the unsuccessful coup took refuge in Libya, accompanied by the Sudanese interior minister, the Libyan diplomat stated, "Although the Chadian government has not unveiled any details about involvement of the Sudanese and Libyan regimes in the attempt, there are many indications unambiguously confirming that the two regimes made a point of protecting the conspirators afterwards and of making contact with them. One fact about the affair that is known is that the Sudan sheltered one of the main people involved in the attempt, a man named Idris Dibi. Also, the Sudan received a Libyan delegation headed by Colonel Hasan al-Kasih, who came especially to meet the conspirators. The Sudanese government then sent its interior minister to accompany Idris Dibi on a special plane to Libya. The National Front for the Salvation of Libya has learned from its domestic sources that al-Qadhdhafi's forces were ready for a military landing operation, had the attempted coup succeeded."

About the request by Garang's movement that the Sudanese government cancel its military agreements with Libya (the military protocol signed by the Sudanese minister of defense in the transition government), and about the nature and existence of these agreements, the Libyan diplomat replied:

"The former Sudanese defense minister, Major General 'Uthman 'Abdallah, is known to have signed a military protocol with al-Qadhdhafi's regime. It is still in effect. Under the government of al-Sadiq al-Mahdi, all agreements between the Sudan and Libya were marked by obscurity and concealment, so much so that in some cases a certain agreement would be signed without the knowledge of some members of the Sudanese government. This was the case with the unity scheme. However, relations between al-Qadhdhafi and the Sudanese government in this particular area are no longer subject to the agreements or protocols concluded between the two sides. Relations are now defined by al-Qadhdhafi through pressures and faits accomplis. This is very clear in the question of Libya's presence in Darfur Region and in the influence exerted by the so-called 'Libyan People's Bureau' in Khartoum."

The Libyan diplomat pointed out that "we should not forget something important. Most of the weapons with which Garang is now fighting were given to him by al-Qadhdhafi at various times. Al-Qadhdhafi's military support for Garang never stopped, even in the days of the transitional government!"

About Libyan-Ethiopian relations and Libya's role in the ongoing war in the southern Sudan, the Libyan diplomat revealed, "It is well known that al-Qadhdhafi has signed a pact of alliance with the Ethiopian government. It was clear that the pact served al-Qadhdhafi's strategic interest by keeping the Sudan between the jaws of a pincers. Al-Qadhdhafi also wanted by this alliance to create a threat for Egypt, Somalia, Saudi Arabia, and North Yemen. This alliance still exists. It has also been learned that al-Qadhdhafi, exploiting his relations with Ethiopia, used its territory to give support and weapons to Garang's forces. A number of officials from al-Qadhdhafi's intelligence apparatus were present in Ethiopian territory from 1983 to 1987 to oversee the supply operation and training. They included Colonel Salim Bush-arirah (now in Khartoum!) and Muhammad al-Na'ili. This is not the first time that al-Qadhdhafi has given weapons and support to one side in a conflict and then turned around to give weapons and support to the other side. Al-Qadhdhafi is embroiled in the attempts to separate the south of the Sudan from the north. It is a critical subject. We hope that government and people of the Sudan are aware of its evil consequences."

About the militias belonging to some Sudanese political parties and how al-Qadhdhafi is training them militarily, the Libyan diplomat said, "One aspect of the special agreement between al-Sadiq al-Mahdi and al-Qadhdhafi was to allow the former to train Ummah Party militias in Libyan camps, with al-Qadhdhafi allowing the use of these militias either in the context of security arrangements or in what is called 'the Islamic Corps.' The importance and danger of the presence of numbers of Sudanese citizens placed under the command of al-Qadhdhafi's apparatus can escape no one's notice."

"As is well known, the so-called Islamic Corps is composed of recruits from a number of African countries, including the Sudan, Mauritania, Mali, Niger, and Chad. The strength of the corps ranges between 6,000 and 10,000. The Sudanese element constitutes an unusual proportion in it. Most of these were Sudanese whom al-Qadhdhafi recruited (willingly or unwillingly!) from the Sudanese workers employed in Libya or from the militias that the Ummah Party sent for training in Libya, as well as large numbers from the so-called 'Sudanese Revolutionary Committees.' The Sudanese are trained at various places in Libya, including the areas of al-Kufrah, al-Jufrah, and al-Takbali Camp in Tripoli."

"Al-Qadhdhafi is also making use of tremendous numbers of mercenaries from Arab and non-Arab countries. The Arab mercenaries come from, among other countries, North Yemen, Somalia, Lebanon, and a group of the Palestinian militias. A large number of Lebanese elements are known to have withdrawn because al-Qadhdhafi's promises of high pay turned out to be at odds with reality."

"We also find various militias from such other countries as East Germany, Korea, and Cuba. The Cubans usually specialize in protecting and managing al-Qadhdhafi's security."

Finally, we asked the Libyan diplomat about the relation of the Libyan opposition to the political movement in the Sudan after the fall of Numayri and about the absence of this opposition from the Sudanese arena. He replied, "No one expected relations between the Libyan opposition (particularly the National Front for the Salvation of Libya) and the regime that followed the fall of Numayri to remain as they had been under Numayri's government. The basic and essential reason had to do with the new Sudanese government's attitudes toward al-Qadhdhafi. The National Front for the Salvation of Libya realized this fact very early and therefore suspended its activity and movement in the Sudanese arena. The front's fears and apprehensions in this regard and its feeling of the uselessness of any attempt to renew relations with the new Sudanese regime were increased when the front became certain that this government was handing al-Qadhdhafi and his agents all the information it possessed about the front's activity in the Sudanese arena. Intensified security cooperation has continued between Sudanese agencies and al-Qadhdhafi's regime. The number of links existing between the present Sudanese regime and al-Qadhdhafi's government has reached the point where the Sudanese regime is in many cases serving al-Qadhdhafi's interests."

Map Showing Libyan Training Camps (Source: National Front for the Salvation of Libya)

1. Al-Sa'iqah Camp (in city of Benghazi), for training Syrian and Palestinian elements, some elements of the Italian Red Brigades organization, and members of the Spanish Basque organization.
2. Al-Jabal al-Akhdar Camp, for training opposition people from the countries of North Africa.
3. Seventh of April Camp (west of Benghazi), for internal terrorism. 4. Ra's al-Hilal Camp, besides training opponents of the PLO, it trains terrorists of various Arab and non-Arab nationalities; training includes suicide missions and underwater explosions.
5. East Tubruq Camp, for training Egyptians.
6. West Tubruq Camp, for preparing intelligence personnel of various nationalities.
7. Al-Marad Camp (east of Tubruq), for training Egyptians, Sudanese, and Yemenis.
8. Tukrah Camp (one of the largest camps), for training Palestinians, Omanis, Chadians, and Iranians.
9. Al-Jaghbug Camp (near the Egyptian border), set aside for Sudanese and Egyptian elements.
10. Al-Kufrah Camp, for training Sudanese and some African nationalities; training includes the firing of SAM-7 missiles.
11. Al-Rawd Camp, for training Sudanese.
12. Second of March Camp-, for training Sudanese and Egyptian elements. 13. Al-Quds Camp, training for Palestinians, Jordanians, and Lebanese. 14. 'Umar al-Mukhtar Camp, for training Somalis, Ugandans, and other groups of Africans.
15. Al-Khums Camp, for training Arabs of North Africa in guerrilla warfare.
16. Misratah Camp, for training groups of foreigners: French, Spaniards, and Italians.
17. Surt Camp, for training terrorists in assassinations.
18. Aozou Camp, for training Chadian elements.
19. Umm-al-Aranib Camp (southeast of Sabha)-, set aside for training terrorists in physical liquidation and methods of torture.
20. Sabratah Camp (armored corps), for training limited groups of Japanese and Spanish speakers, as well as Tunisians, Iraqis, and Palestinians.
21. Jud Da'im Camp (known as "al-Kashshaf Camp"), for training in international terrorism.
22. Surman Camp, for training Lebanese and Palestinians.
23. Ghadamis Camp (near the Algerian border), for training African mercenaries and dissidents.
24. Mizdah Camp, for training Kurds and Armenian organizations.
25. East Sabha Camp (10 km southeast of the airport), for training in explosives and overseas assassinations.
26. West Sabha Camp, for training Chadians and Tunisians in terrorist operations, as well as Palestinians and a mixture of South American countries. 27. 'Aqabat Bin Nafi' Camp (now known as "[illegible] Camp"), for training Tunisians, Egyptians, Syrians, Algerians, Moroccans, Venezuelans, Chileans, and Argentines in assassinations and sabotage operations.
28. Bab al-'Aziziyah Camp (headquarters of the General Command), used for training limited numbers from North Africa, especially Tunisians and elements from Polisario.
29. Bi'r al-Ghanam Camp, for training Tunisian elements.
30. Al-Takbali Camp (armored corps school), for training men from Polisario and Tunisians in desert warfare.

31. Tajura' Camp (near Tripoli), for training Palestinian groups.

32. Sidi Bilal Camp (near Tripoli), for training Polisario, Tunisians, and Palestinians.

33. Seventh of April Camp (south of Tripoli), for training Africans, especially Sudanese, Chadians, Tunisians, Algerians, and South Africans. 34. First Martyr Muhammad al-Maqaryaf Camp (near Tripoli), for training intelligence elements in overseas espionage operations, in addition to its other function of training paratroopers.

35. Al-Ma'had Camp (in Tripoli), for training Libyans in terrorist operations.

36. Al-Hadbah al-Khadra' Camp (in Tripoli), for training Algerians and Tunisians.

37. Tarhunah Camp (armored battalion), for training Tunisians, other Arabs, and members of the Black September Organization.

38. Bani Walid Camp, for training North Yemenis and some Saudi and Egyptian elements.

39. Al-Jufrah Camp, for training Sudanese and Egyptians.

Conference Focuses on Soap Manufacture, Phosphates

45040401 Tripoli AL-FAJR AL-JADID
in Arabic 16 May 89 p 3

[Article: "Activities of 3d Arab Conference on Soap and Detergent Manufacture Continue"]

[Excerpts] Activities of the Third Arab Conference on Soap and Detergent Manufacture continued yesterday in the auditorium of the Dhat al-Imad complex in Tripoli. The conference is being held under the slogan, "Let all efforts interweave to strengthen and develop soap and detergent manufacture in the Arab homeland!"

Several studies and papers were presented yesterday on the economics of the world of soap and detergents on an international and Arab basis, the chemistry and economics of soap and detergents, and soap and detergents from the economic, technical, and quality standpoint. The soap and detergent situation in a number of Arab countries was reviewed, as well as raw phosphate and its role in the manufacture of soap and detergents.

Also presented were projections of the Arab world's soap and detergent needs until the year 2000, reshaping of the soap and detergent industry, the need for scientific surveys to determine individual needs and average soap and detergent consumption rates, import limitations, and Arab world soap and detergent needs.

The studies presented showed that the Arab world ranks third in the world in phosphate production. Morocco, the foremost Arab state in phosphate production, has three-quarters of world reserves, and these are of a high degree of purity. Algeria, Tunisia, Egypt, Jordan, and Palestine follow Morocco.

The studies and papers presented confirmed that the Arab homeland possesses all the components for the establishment of a unified Arab soap and detergent industry that will compete with international industries. [passage omitted]

The brother secretary of the General People's Committee for Light Industry began his speech by welcoming the brothers participating in the activities of the conference. [passage omitted]

He said that the leader of the Great First of September Revolution had taken the initiative by proposing to Arab kings and presidents a complete industrial project on a united basis. The leader believed that the opportunity available to the Arab nation was limited; the forces of evil were assailing it; the only way to confront them was to realize comprehensive Arab unity.

The secretary said that industry is capable of developing and strengthening effective Arab action on a unified basis through cooperation, integration, and amalgamation. He affirmed that the Great Jamahiriyyah, having eliminated borders and opened the way to Arab unity on its territory, had drawn a picture of united Arab activity through the regulations and resolutions it had issued.

The brother general secretary of the Arab Union of Food Industries gave a speech welcoming the brothers participating in conference activities. He said that holding the conference came as an extension of the nature of the pan-Arab activities that the union had been carrying out in this field for more than 10 years, devoting itself to studying the present situation and future prospects of Arab soap and detergent manufacture.

Speeches were also given at the opening session by the brother secretary of the administrative committee of the Center for Industrial Studies and the brother secretary of the National Soap Manufacturing Company.

Delegations from all the Arab countries are participating in conference activities, along with a number of delegations from international companies specializing in the field of the soap and detergent industry. [passage omitted]

The agenda of the third conference contains the following main items:

1. Primary materials used in soap and detergent manufacture—their sources, use, specifications, and coordination; also, an inventory of primary resources available in the Arab homeland.
2. Detergent and soap manufacture waste products and

methods for their utilization.

3. International technological development in the field of soap and detergent manufacture; techniques and specifications used in the Arab world.
4. Joint Arab activities, both service and production.
5. Packaging and wrapping in the soap industry.
6. The work force—present situation, problems and obstacles, training, geographical distribution, planning for the future.
7. Papers on individual countries.
8. Discussion of implementation of the resolutions and recommendations of the second conference.

The conference will also discuss the following papers and studies:

- The core study presented by the Arab Union of Food Industries,
- Studies of individual countries—present and development prospects of the soap and detergents industry—presented by the Arab countries
- Studies by joint Arab organizations, unions, associations, and companies, and by universities and centers for scientific research
- Studies and experiences of soap and detergent manufacturers in the Arab homeland
- Studies and papers of international organizations, companies, and associations
- Studies and papers of Arab and foreign experts.

As is well known, the first conference on soap and detergents was held in Baghdad. The second conference was held in Abu Dhabi in 1987.

PALESTINIAN AFFAIRS

Background on Jamil Tarifi Presented TA2671545

[Editorial Report] In HA'ARETZ in Hebrew on 25 July, on p 2 Ori Nir writes in a background piece that Jamil Tarifi, the Palestinian lawyer who recently met with Prime Minister Yitzhak Shamir, was elected deputy mayor of El-Bireh in 1976, and remained prominent after the municipalities in Judea and Samaria were disbanded in 1982. In February 1986, Tarifi, who has always been identified with the PLO, called together a group of senior figures from the Ramallah-El Bireh area with the aim of proposing to the authorities that this group take over the administration of the Ramallah and El-Bireh municipalities. This was after the appointment of Zafer al-Masri as mayor of Nabulus. Al-Masri was assassinated about a month later by Palestinian extremists. The military government was attempting to encourage the appointment of Palestinian figures to head the West Bank municipalities, which were headed at the time by Israeli military government officers. Though much of the Palestinian public supported Tarifi's initiative, there were three obstacles to its realization: First, deposed Mayor Ibrahim Tawil, who was not a partner to

the initiative, saw it as an affront to his public stature; second, local Palestinian leftists objected to manning the municipalities with Palestinians except through municipal elections; and third, military government officials considered Tarifi to be too close to the PLO. A day after al-Masri's assassination by a squad from the Democratic Front for the Liberation of Palestine, Tarifi announced that the initiative would be shelved because of the situation that had been created. In mid-February 1986, after Tarifi and his colleagues sent a letter to the defense minister asking that they be put in charge of El-Bireh, the heads of the defense establishment decided to make it clear to Tarifi that they would not make him mayor. A senior officer in the military government stated that Tarifi had no chance of receiving the green light from the military government because he was too-closely identified with the PLO.

Statistics, Social, Economic Structure of Refugee Camps

44040467 Jerusalem AL-FAJR in Arabic 1 Jun 89 p 7

[Article: "Dr Ishaq al-Qutb Speaks at Cambridge University about Palestinian Refugee Communities"]

[Text] Dr Ishaq al-Qutb of Kuwait University, who is serving as visiting professor of sociology at London University for 1 year, was invited to speak by the Center for Middle East Studies at Cambridge University. Dr al-Qutb gave a speech that was entitled "Palestinian Refugee Communities as Temporary Cities."

Dr al-Qutb talked about the stages which the camps have gone through since 1948. Now the camps are starting their fourth decade since Palestinians, under the threat of Israeli terrorism, were forced to emigrate. The Palestinians' forced emigration led to a broad scale movement of the population, and approximately 1 million Palestinians were forced to seek refuge in areas outside their cities and villages. These areas later came to be known as the West Bank and the Gaza Strip. Palestinians also sought refuge in Lebanon, Syria, and the East Bank of the Hashemite Kingdom of Jordan.

Dr al-Qutb indicated that the number of Palestinians now was 4.5 million persons. He said that a vast majority of them (96 percent) lived in Arab countries; the rest live in foreign countries. Fifteen percent of Palestinians live in Israel, and most of those live in villages and in some cities in the north.

About 17 percent of the total Palestinian population live in camps. They are distributed among 59 camps where approximately three quarters of a million Palestinians live. The average number of residents in one camp is 31,000 persons. In the Gaza Strip the average number of residents in one camp is approximately 5,000, and the overall average is 13,200 persons in each camp. In other words, each camp is as large as a small city. Camp sizes vary from one location to another. For example, there

are 16 camps that have between 5,000 and 10,000 residents; 10 camps that have between 11,000 and 19,000 residents; and 4 camps that have over 4,000 residents [as published].

The distribution of the camps in the host countries is as follows:

1. Camps which are inhabited by less than 5,000 persons are distributed as follows: 13 on the West Bank; 3 in Syria; 3 in Lebanon; and 1 on the East Bank. This is a total of 20 camps.

2. There are 15 camps that are inhabited by between 5,000 and 10,000 persons. These camps are distributed as follows: 5 in Syria; 4 in Jordan; 3 in Lebanon; 2 in the West Bank; and 1 in Gaza.

3. There are 13 camps that are inhabited by between 11,000 and 25,000 persons. These camps are distributed as follows: 4 in Lebanon; 3 in Syria; 2 in Jordan; 2 in Gaza; and 1 in the West Bank.

4. There are 10 camps that are inhabited by more than 25,000 persons. These camps are distributed as follows: 5 in Jordan; 4 in Gaza; and 1 in Lebanon.

The camps started as groups of tents which then evolved into structures of zinc and then brick. These structures evolved further with the use of concrete, and their locations were also changed according to economic, geographic and sanitary conditions and according to the availability of services as well. The availability of a transportation system to nearby cities and the availability of water were important factors in determining the locations of these camps. The United Nations Relief and Works Agency [UNRWA] registered camp residents whose number reached 2.15 million persons. Approximately 35 percent of these people live in the camps proper, while the remaining 65 percent live around or outside the camps, returning to them as employment and living conditions permit.

The Social Structure of the Camps

Dr al-Qutb alluded to the nature of the social structure of the camps, which is associated with being uprooted and losing one's land and personal possessions. The social structure of the camps is associated with the displacement which Palestinians were subjected to. That displacement was essentially a product of the deteriorating conditions which shaped the camps' social structure and led to the dissolution of families, among other things. A new mode of social relations evolved, and these relations revolved around the struggle for survival. Social and religious institutions tried to offer relief by providing food, clothing, shelter, education, health services, and social care for children, women, senior citizens and the handicapped. But life in the camps caused the gap between rich and poor to grow wider, and it broke the continuity in social relations and social interactions. The

mode of social relations in the camps reflected the social reality in the camps where disparate groups of Palestinians resided: peasants and workers from the northern, central, and southern parts of the country who are members of families, tribes, and classes living on fixed incomes. Living conditions in the camps were such that social relations were organized around them. For example, relations with institutions in the host country dealing with security matters, services, employment, residence and the legal and official system revolved around living conditions in the camps. Relations with international institutions (the UNRWA), with voluntary organizations, and with programs offered by European and American countries also revolved around these living conditions. In addition, so did relations with institutions subordinate to the PLO.

Because of ecological, demographic, economic, political and socialization changes experienced by these communities and camps, these human communities did not become urban social entities or urban communities in the contemporary sense of the term. The communities, their locations, the residences, the neighbors, and the harsh conditions of life did not provide an opportunity for the establishment of an integrated society. In fact, these elements were imposed and are still being imposed on the camp dwellers who are still suffering from congestion in the camps, from dilapidated housing, and from inadequate sanitary services, like sewage and potable water. These communities have no social institutions and no employment opportunities. They are a constant reminder to people of the good life they lost and the stability they had in their original homeland.

The Economics of "Urban Camps"

The economics of "urban camps" are marginal and very fragile because they have no production facilities and no formal state institutions. These camps are a source of cheap labor, offering a supply of workers who may be hired to work in the interests of the public or private sector wherever such opportunities are available. As far as human rights are concerned, however, these are extremely restricted, and workers in those camps have extremely limited opportunities to join in the activities of a union. Their access to social security or health insurance benefits, if any at all, is extremely limited.

Dr al-Qutb talked about social, economic and demographic conditions in the camps in Lebanon and Syria. He also talked about attitudes toward the camps in the occupied West Bank and Gaza Strip. These camps are considered a source of cheap labor, offering a supply of workers who can be exploited. In addition, camp dwellers are a significant factor in the consumption of Israeli products.

Dr al-Qutb concluded his talk by alluding to the implications that "urban camps" have for development. He explained that the temporary nature of these "urban camps" prescribed negative development tendencies in the following areas:

1. National urban planning: The camps are not included in national development plans because of their multiple political and economic affiliations. It is also difficult to incorporate a special budget to develop the camps.

2. The political position taken by the PLO, by the host countries, and by Arab and international institutions in most cases precludes the pursuit of development plans which could lead to lasting stability. Palestinian and Arab regimes reject that.

3. It is difficult for the urban camps to achieve any kind of administrative, economic, or political self-sufficiency. Thus, camp dwellers face difficult choices: they can either stay in the camps or move away. In addition, the growing pressure of the population increase intensifies the critical conditions of life and increases the imbalance between the population and services.

4. Financial remittances to camp dwellers from relatives and offspring are a vital ingredient in helping camp dwellers make ends meet. Camp dwellers' lives are becoming more complex, and these remittances must continue in the future.

After Dr al-Qutb completed his talk, he answered questions from the audience, which consisted of university professors, graduate students, and others interested in Middle East issues. Then, Dr Basim Muslim, the director of the Center for Middle East Studies praised the ideas which were set forth in Dr al-Qutb's talk, and he thanked the audience.

From the London newspaper, AL-'ARAB.

ALGERIA

Minister of Education Discusses Response to Teachers' Demands

45190095 Algiers ALGERIE-ACTUALITE
in French 9-15 May 89 pp 11-12

[Interview conducted by Dalila Lakhadar and Khadidja Zeghloul, entitled: "Slimane Cheikh, Minister of Education, Tells ALGERIE-ACTUALITE: 'Yes to Dialogue, Yes to Consultation'"]

[Text] The educational system is in poor health. This impersonal diagnosis stems as much from teachers' labor and professional problems as it does from the performance of a system that is considered less and less capable of producing quality. The strikes that have severely shaken up the profession these last few weeks have made all these issues timely. Should they ever have ceased to be timely? Schools, which are not ivory towers, experience society's problems and are crossed by opposing currents. In the same way that they have never reduced social inequalities, schools also copy society's problems. And that is why the border between pedagogy and politics has become very narrow. Should schools be

spared the choice? Don't they take sides, even in political struggles? There are many questions to be answered. This week ALGERIE-ACTUALITE takes stock of the situation with Mr Slimane Cheikh, Minister of Education and Training, who was willing to speak with us on these issues, and many others.

[ALGERIE-ACTUALITE] Mr Minister, following the strikes that have shaken up the educational system, you addressed an appeal to teachers, strongly emphasizing the sacred mission of schools, but you also avoided any allusion to the strikers' demands.

[Cheikh] Indeed, following this wave of strikes, I thought I should appeal to all teachers. This appeal was to be a sort of call to teachers' sense of responsibility, so that they might take into account not only their rights, but also their duties. And I owed it to myself to emphasize a number of principles that ought to guide their work, their mission within the schools, notably that of first considering the pupils' right to objective instruction, not colored by political or other considerations. I insisted on the necessity of keeping schools free of political maneuvering, wherever it may come from. I also called for political intervention not to interfere in the pedagogical work of schools, especially now when there is a blossoming of a number of trends and sensitivities.

I believed then and I believe now that that's what essential. As for the strikers' demands, I haven't hidden them from view; on the contrary, we took charge of them well before they surfaced in the form of strikes. In some cases, these strikes seem to be ends, rather than means, since strikes were apparently called in order to ask for bargaining afterwards and then make the demands known. But normally the process is the reverse. In every country where there is a long tradition of strikes, resorting to a strike only happens when all other forms of recourse have been exhausted. But in trying to analyze a number of cases we've experienced, we note that the strike appeared as a first step. So we first had to put an end to all those activities that do honor neither to the profession nor to those responsible for triggering such a movement. That's why I personally consider it necessary to appeal to people's sense of responsibility, rather than trying to force the will of others. I remain convinced that the majority school system is comprised of a of responsible, very mature educators. The proof is that these disruptions affected only a limited number of schools. The school year went by with relatively few major clashes, except in certain cases in which the situation ended in rather major damage to school attendance.

[ALGERIE-ACTUALITE] Mr Minister, do you not think that in Blida, where the strike lasted 40 days, dialogue was begun very late? Didn't sending out memorandum 82 contribute to exacerbating the teachers' discontent?

[Cheikh] First of all, the Blida strike did not last 40 days. It lasted less than that because you have to deduct vacation time. Even so, if the strike had lasted only one day, I believe that is one day too many. In addition, dialogue was begun; it had never stopped. You know very well that education has been decentralized. The ministry cannot directly administer all wilayas [departments or provinces]. It was only when the strikes were extended that I sent general inspectors to try to renew dialogue. I personally received a delegation of teachers. I thought I had convinced them, since they left with a firm promise to go back to work the next day. But work did not start again until the following week. As for their demands, they changed constantly. The issue is to figure out whether the strike was provoked by these demands which were not met, or whether these same demands did not appear until afterwards to justify resorting to a strike. That is the question.

As for the memorandum, I think it tends to help put "the house in order." I would like to remind you that its preamble is centered around the necessity of dialogue and around the necessity of finding adequate solutions before things grow more bitter. As minister, I assume the responsibility of ensuring the continuity of public services by all means at my disposal.

Besides, these strikes, I must say, do teachers a great disservice. Public opinion, as well as pupils' parents, have not really supported such activities. I have received a number of delegations of pupils' parents who were outraged and shocked by the turn of events. I was even blamed for a sort of laxity, for not having intervened more firmly with respect to the teachers. But I remain convinced that there is no solution outside of dialogue.

[ALGERIE-ACTUALITE] Mr Minister, what are the answers you intend to give the teachers?

[Cheikh] I would like to specify that all ministry officials are educators. Therefore, they are in a position to take on several types of teacher concerns. We introduced the law on teachers to the civil service, and daily meetings are now taking place to hasten its approval. We have also made it possible for teachers to be promoted, especially at the secondary level. This internal promotion will be implemented through a teacher-certification examination, and by increasing the value of post-graduate degrees and research. Other activities are being undertaken, one of them concerning retraining and proficiency courses for teachers. Two-thirds of the educators of the year 2000 are already teaching. It is essential to take responsibility for them and raise their level of qualification. To this end, the ministry established a broad plan that will also make increased pay possible. All these activities were begun a year ago. So it was not the strikes that prompted us to act in favor of the teachers.

As for the housing problem, you know very well that it is a national problem. I can assure you that the walis [governors, executive heads of wilayas] give priority to

teachers, since on average I can tell you that the portion set aside for them is about a third of the reserved housing in the different wilayas. Sometimes, some of them go beyond the quota. Add to that the housing granted the teachers as simple citizens. We are, then, fully taking on our responsibilities toward the teachers, despite the constraints we are all acquainted with. Even so, I have also emphasized the necessity for teachers to take responsibility for themselves, by organizing into housing cooperatives. We are in the process of considering a financial setup to help these cooperative financially. We are engaged in discussions with the MUNATEC [expansion unknown] and the CNEP [Algerian National Savings and Insurance Bank] to establish this financial setup. As soon as the operation is finalized, we will make an announcement.

[ALGERIE-ACTUALITE] Mr Minister, this school year was particularly disrupted. Since the first victims are high school students in their final year, the teachers suggest there be a second session of graduation examinations.

[Cheikh] I wonder about the fact that those responsible for the disruptions ask that we find a solution to the repercussions of their strike by organizing a second exam session. I have the impression I'm dealing with pyromaniac fireman, as they are called. I think this demand, coming from the teachers is not entirely responsible. On the other hand, coming from parents, it would be more acceptable. I believe that the latter are right to be worried about their children's future. But personally, I don't think that a second session is really the solution, because it would bring about unforeseeable disruption for the beginning of both the high school year and the university year. For me that solution is not an option. Other solutions can be found, and we are considering them, but I can't tell you anything more.

[ALGERIE-ACTUALITE] Mr Minister, educators do not want the reform of the educational system to be the prerogative of technocrats. They demand a broad debate among teachers as a prerequisite for any decisions concerning the future of education.

[Cheikh] I would prefer not to become involved in a polemic response, nor react to the term "technocrat". I began by telling you that all the officials in the Ministry of Education belong to the teaching profession. They are either former university professors or secondary teachers, or former elementary teachers, or former school inspectors. They are not technocrats, but rather professional practitioners who are called upon to take on administrative responsibilities. You will remember that last year there was a broad dialogue involving all educators in order to prepare the dossier on educational reform. We called upon the services of all teachers. The outcome of these consultations was recorded in the regional synthesis reports, which were the subject of a final report, which in turn lead to the minister's own report, presented at the 20th session of the Central

Committee (CC). During that session, the dossier on the educational system reform was adopted with a number of recommendations. So the whole process was started after the preliminary step of a broad grassroots dialogue. It is this dossier that the national commission on educational reform must turn its attention to. It did not begin working from a clean slate. Its deliberations or work are circumscribed by recommendations presented to the CC. In addition, the members of the national reform commission represent all levels of education: elementary, secondary, technical, university, and job training. There are teachers, inspectors, civil servants, higher education professors, parent representatives, general organizations, and consumer groups. It is, then, a representative national commission. Even so, in order for a commission to be effective, it should normally be small. Otherwise, you end up with a congress. Finally, I must tell you that all wilayas were asked to send us all teacher recommendations. We have indeed received a number of proposals that were transmitted to the National Commission. So dialogue has never ceased. It took place beforehand and it continues. I repeat this appeal: if teachers want to make recommendations and proposals, they can contact us, and I will be sure to transmit them.

[ALGERIE-ACTUALITE] Mr Minister, given that teachers were involved in the reform from the outset, how do you explain the present wave of demands concerning their participation?

[Cheikh] A clarification is in order. Why is it that this demand doesn't show up until the month of April, whereas the National Commission was set up in January? That is a question that I ask in turn.

[ALGERIE-ACTUALITE] Can you indicate, Mr Minister, the broad lines and goals of the reform?

[Cheikh] The broad goals of the reform are the establishment of a complete educational system, and not one cut up into sections like it's been done till now for primary, secondary, university, and job-training education. It is a universal vision that will make it possible the different levels of education to work more smoothly together, for the Algerian educational system perform better, for a freer flow to take place. Ties between different levels of education will allow for better student orientation. The latter must cease to be orientation through failure; it must become a genuine orientation, accepted by everyone. As for primary education, we will try to take into account the fact that the curricula are too demanding. Some courses are not entirely at the pupils' level. The orientation system, leading from one level to another, has been automatic until now. We are trying to change it in order to turn it into a system in which the most worthy progress. That is, in broad terms, the general outline of the educational reform.

[ALGERIE-ACTUALITE] Mr Minister, teachers are often blamed for their low level of qualification. But they complain, in turn, of difficult teaching conditions. For

example, science, physics, chemistry teachers have to tell their pupils: "Imagine the experiment." Is that still conceivable in 1989?

[Cheikh] Yes, I acknowledge that there is in certain schools a lack of didactic resources, but we are doing all we can to try to make available necessary resources, notable for physics and chemistry courses. As for the last question, there is the problem of reagents, of imported products. You know how difficult it is to import certain products. That is a problem we are taking on. It is true that schools do not have adequate supplies at their disposal. During my visits to certain schools, I emphasized the necessity of mutual assistance among different schools. These problems did not begin in 1989. We drag them along behind us and I can't say we won't drag them along even longer. But this year we have effectively emphasized the necessity to buy supplies so that pupils won't have to imagine experiments. While visiting technical schools, I noticed that in some of them, they were content with general education, for lack of supplies. I have personally given the order that no more technical schools be opened if there are not enough supplies to ensure truly technical instruction. I have emphasized the necessity, at least for now, of turning them into multipurpose schools.

The educational system has more than 6 million students and more than 300,000 teachers and support personnel. In such a large sector, it is only normal to find shortages, problems, and not everything working in the best conditions. Even in the capital, I have had to lament the existence of schools not worthy of that name. I have given the order to do a count of all those schools, in order to make them worthy of the capital and of the country. I can assure you that in the most remote regions there are very good schools that are the pride of the country.

[ALGERIE-ACTUALITE] Mr Minister, we are witnessing a rise in intolerance in the schools. What should be the response of the government rightly to preserve the schools' mission and to shield it from the designs and manipulation of certain groups?

[Cheikh] We are now living in a very special period, in which there is a blossoming of viewpoints and that show up appear and interfere in the schools. That explains the appeal I launched to preserve schools from all these interferences, so that schools don't become the political stakes for some and so that they do truly become places of education for the transmission of science and knowledge, places of open dialogue where both minds and consciences are awakened, instead of making them into places where a number of dogmas are forcibly instilled into pupils. That is the goal that we aim for, through this appeal and through the recommendations and orders I give. I believe that school are the business not only of the Ministry of National Education, but also the business of all citizens. I believe it is now time to arrive at a national pact in which a consensus would emerge, so that the

schools can be spared from disruptions and both political and politicking agitation. I believe we have an historic rendez-vous that we must not miss. If we truly succeed in taking on and managing this democracy, if we save schools from all these interferences, I think we will have face the challenge successfully.

[ALGERIE-ACTUALITE] Since we are talking about reforms, is it possible in 1989 to evaluate the success or failure of the school system? You might say the question is a broad one ...

[Cheikh] The question is very broad, but it is very important. That's why I will be honest by telling you that I can give only an assessment that is general and temporary. Why? Because I noted that until now—and I emphasize the fact—there has been no genuine pedagogical research. But without this foundation, a proper, real, and objective assessment of our educational system cannot be made. We have begun discussions with UNESCO to set up a complete evaluation program. We are thinking of letting UNESCO do this evaluation in our place, but of allowing Algerian evaluators to take on this problem. It is only at the completion of this enterprise that we will be able to determine where the Algerian educational system stands. We are often in too much of a hurry to make final, definitive judgments concerning our educational system and, notably, concerning basic education. But it is just this year that the first advancement of basic education will occur in the ninth year. So we cannot objectively and seriously draw true, definitive conclusions on the impact of primary schools. That is why I insist on the necessity of being cautious.

BAHRAIN

GCC Economic Activities Report Reviewed
44040469b Manama AKHBAR AL-KHALIJ
in Arabic 23 May 89 p 9

[Article: "On Council's Eighth Anniversary GCC's General Secretariat Reviews Activities of Economic Sectors in GCC Countries"]

[Text] Next Thursday will be the eighth anniversary of the founding of the Gulf Cooperation Council [GCC]. The GCC's General Secretariat prepared a comprehensive report for that occasion about the most important activities of the economic sectors in the GCC countries. These activities include financial, monetary and foreign trade developments; developments in the balances of payments; and developments in the industrial, commercial, agricultural, and petroleum and oil sectors.

With regard to financial and monetary developments the report made it clear that in 1987 the GCC countries' general revenues amounted to \$40.9 billion compared with \$14.2 billion in 1986. In 1987 total spending amounted to \$64.6 billion compared with \$78.2 billion in 1986.

Liquid cash in the member countries rose locally to \$83 billion compared with \$786 billion in 1986 [as published]. At the same time currency in circulation rose from \$13 billion to \$13.9 billion in 1987.

Deposits which may be withdrawn on demand also rose to \$18.6 billion compared with \$17.3 billion in 1986. Commercial banks held \$11.9 billion in total capital and reserves, compared with \$11.3 billion, and the value of foreign assets amounted to \$49.95 billion compared with \$46.25 billion.

With regard to foreign trade and the balance of payments, the report made it clear that during the same year the volume of trade between the GCC countries and between these countries and other countries of the world amounted to approximately \$92.5 billion, compared with \$82.4 billion in 1986.

Oil production in the GCC countries' oil sector amounted to 7.73 million barrels of oil a day. That was a 9 percent decline from 1986. In 1987 the GCC countries produced 43.4 percent of all the crude oil produced by the OPEC countries; they produced approximately 13 percent of the crude oil produced worldwide. During the same year oil reserves in the GCC countries were estimated to be 64.8 billion barrels.

The report indicated that in the industrial sector the highest rate of increase was recorded in the conversion industries, specifically in the petrochemical industry.

The agricultural sector continued to grow and to expand. Plant and animal production rose significantly because of the considerable attention which was given to that sector by the governments of the GCC countries.

The report indicated that the cement industry in the GCC countries managed to overcome some problems and difficulties which had confronted that sector. Total production rose by 8.6 percent, from 15.1 million tons in 1986 to 16.4 million tons in 1987.

Statistics on Investment in Electrical Power Reported

44040469a Manama AKHBAR AL-KHALIJ
in Arabic 21 May 89 p 2

[Article by Hafiz Imam: "Director of Electricity Announces That Bahrain's Investments in Electrical Power Are 530 Million Dinars; Demand for Electricity To Rise to 1,300 Megawatts by the Year 2000"]

[Text] Investments in the development of Bahrain's electrical power facilities, such as power plants and power lines, amounted to 530 million dinars. Until last year maximum demand for power was 670 megawatts. By 1990 demand for electricity is expected to reach 762 megawatts, and by the year 2000 demand is expected to reach 1,400 megawatts.

A study conducted by consulting firms worldwide recommended the construction of a new power and water plant northeast of the dry basin. To meet the growing demand for power, the study recommended that construction of this plant start before 1990. This study is still under consideration, and thought is being given to furnishing the resources for building the plant in the future or setting forth other alternatives to build electrical power projects that require less capital outlays. At the same time emphasis would be placed on projects to provide water needs.

This information was mentioned in a speech that was delivered yesterday in the Gulf Hotel by Eng 'Abdallah Muhammad Jum'ah, director of the Electricity Administration. Mr Jum'ah had been invited to speak by Bahrain's Association of Engineers. Eng Jum'ah's speech dealt in general with the historical and technical evolution of Bahrain's electricity sector and touched upon future plans for that sector's development in the future.

The director of the Electricity Administration reviewed the history of electricity in Bahrain from the thirties to the eighties. He reviewed the change in demand for electricity, in the volume of production, and in the number of subscribers and consumers. He said that the first power plant had been built in the early thirties in Ra's Rumman and that its capacity was less than half a megawatt. In the forties power consumption rose to 1 megawatt and production capacity rose to 1.8 megawatts. In the fifties power consumption rose to 14 megawatts, and production rose to 25 megawatts.

Consumption soared to 60 megawatts in the sixties, and production rose to 75 megawatts. In the seventies 357 megawatts of power were consumed, and 533 megawatts of power were generated. But in the eighties (in 1988) 670 megawatts of power were consumed, while power generating capacity was 950 megawatts.

'Abdallah Muhammad Jum'ah indicated that instead of limiting electricity service to Manamah and al-Muharraq, the government adopted a policy in the fifties of providing electricity throughout Bahrain. In February 1956 when he was still the crown prince, His Highness Shaykh 'Isa ibn Salman Al Khalifah pushed the button operating [the power plant] in al-Rifa' al-Sharqi, thus introducing electricity into that area. In 1958 the first power plant with gas-fired turbines went into operation. In the sixties the number of consumers rose, and the number of power systems was increased. By the late sixties most residential areas were receiving electricity. After oil prices rose in 1973 and the government decided to diversify revenue sources, power production soared. The annual increase in power production amounted to 30 percent. The largest power projects in the country's history were built: a new power plant was built in Sitrah; another was built in al-Rifa'; and power transmission networks were also built. In the seventies the general average of annual outlays for these projects amounted to

25 million dinars. In the eighties annual expenditures amounted to 35 million dinars, and the volume of investments amounted to 530 million dinars.

In one part of his speech Eng 'Abdallah Jum'ah reviewed expectations for power demand in the future. He said that demand would grow from the maximum 670 megawatts reached last year to an anticipated 1,300 megawatts by the year 2000. He indicated that present installed capacity was 900 megawatts and that a power shortage had to be confronted in 1992.

Mr 'Abdallah Jum'ah asked a question about how growing demand for electricity would be met. He reviewed the study which was done by a consulting firm and which had recommended the construction of a new power plant northeast of the dry basin. The director of electricity discussed projects that would link the GCC countries' power systems together. He talked about the importance of such projects in reducing the possibility that power would be interrupted when unexpected malfunctions occur at power generating plants. Furthermore, linking these power systems together would reduce the cost of one unit of electricity. Eng Jum'ah said that the cost of building a complete system that would link the GCC countries' power systems together was estimated to be about 600 million Bahraini dinars. Such a project would be implemented in stages, and it would be completed by the early 21st century.

After reviewing average power consumption by industries, businesses, and homes, Eng Jum'ah explained the costs of power production in Bahrain. He said while production of one unit of electricity costs 19 fils, it is sold for only 12 fils. The state covers the difference to the tune of 11 million dinars per year.

The speaker indicated that the number of workers in Bahrain's electricity sector was now 3,200 employees: 242 engineers, 55 percent of whom are Bahraini citizens; 272 technicians, 49 percent of whom are Bahraini citizens; 234 installers, 72 percent of whom are Bahraini citizens; and 397 operators, 93 percent of whom are Bahraini citizens.

EGYPT

Thirteen Studies Allegedly Discontinued for Security Reasons

45040363B Cairo AL-AHALI in Arabic 24 May 89 p 7

[Unattributed report: "American and Israeli Embassies Collect Secret Information—Thirteen Research Studies on Egypt Discontinued, Further Studies Prohibited"]

[Text] A top security authority under the presidency has ordered the discontinuation of 13 investigations and studies which diplomatic missions in Cairo and international organizations were conducting on the country's economic, security and social conditions, most importantly on the standard of living in Egypt's rural areas,

food self-sufficiency, investment companies, Egyptian-Arab relations, special interests and lobby groups (economic and religious), and the citizens' relationship with the government at the presidential and security levels.

The National Security Agency received information that a number of international organizations and diplomatic missions in Cairo were collecting information and reports on a number of domestic issues through unauthorized direct contacts with ministries, government organizations and corporations, and private citizens. The agency commissioned a General Intelligence special committee to look into these reports, most of which turned out to be classified and not for circulation to any domestic or foreign party without official approval under security supervision. Thereupon, strict instructions were issued to retrieve these reports and refer those who had supplied them to investigating committees. The agency gave notice to all ministries to halt all contacts not made through the Egyptian Foreign Ministry. The American Embassy and Agency for International Development, the Fred Rush Abert [Name as published] organization, the Israeli Embassy, the West German Embassy and an Arab embassy headed the list of those who were collecting the information.

Butrus Ghali Interviewed on Nile, African Issues
45040407 Cairo AL-JUMHURIYAH
in Arabic 22 Jun 89 pp 2, 13

[Interview with Butrus Ghali by Mahfuz al-Ansari, Hasan 'Amir, Badawi Mahmud, Jamal Kamal, Muhammad Isma'il, and Sumayyah Ahmad: "Mubarak Chairs OAU at Insistence of African Leaders; African Element Has Been Basic Ingredient in Egyptian Policy Since Days of Pharaohs; A Word of Caution: Israel Could Resort to Wholesale Expulsion of Palestinians;" interview prepared for publication by Sa'd Hajras; date and place of interview not specified]

[Excerpts] [Passage omitted] [Ghali] Egypt's foreign policy tries to strike some kind of balance between the Arab and African worlds and to integrate the two worlds. This new tendency began taking shape when the first Afro-Arab conference was convened in Cairo in 1977. [passage omitted]

Egyptian foreign policy is currently trying to put emphasis on this link between Arab and African countries, since Egypt is thought to be in a pivotal position regarding this link and this integration.

Egypt's return to the Arab League and the birth of the Arab Cooperation Council [ACC] are nothing but manifestations of Egypt's pivotal position in that regard. [passage omitted]

I can add to these elements another one that manifests itself in the presence of a common political and intellectual denominator between Arabs and Africans: the non-alignment policy that Arabs and Africans pursue. As you know, the charter of the OAU stipulates that OAU countries adopt a policy of non-alignment.

Egyptian policy holds that resisting any tendency which strives to sow discord between Arabs and Africans is a must. Any attempt to give either Arabs or Africans priority in political considerations must also be resisted. Instead, harmony and friendship must be established between Arabs and Africans on the foundation of the non-alignment policy.

In other words, Arab and African policies must be linked to the non-alignment policy. [passage omitted]

Let's take the United States, for example. It acts on two fronts: its actions are geared to the Atlantic Ocean, where Europe is located, and to the Pacific Ocean, where Asia is. France does the same thing: its actions are geared to Europe and to Africa across the Mediterranean Sea. England's actions are geared to the commonwealth on the one hand, and to its affiliation with Europe on the other.

This is why there is nothing odd about Egypt's efforts to achieve some kind of integration or reconciliation between Arab policies, African policies, and the non-alignment policy.

Africa and the Arabs

[AL-JUMHURIYAH] Within this trilateral framework of the Arabs, Africa, and non-alignment, does the emphasis on Africa reduce the importance and the central nature of the Palestinian question? Does the emphasis on Africa diminish the pivotal nature of the Arab-Israeli conflict?

[Ghali] No, that is not it at all. This is something that has to do with the extent to which public opinion is interested in one topic. Public opinion is actually interested in Arab issues for emotional or cultural reasons, or even for reasons that have to do with employment opportunities. Arab problems are well-known. Interest in Africa, however, is much less than interest in Arab matters. But it is the function of the official who is responsible for foreign policy to increase the level of this interest and to strike the balance that is being sought so that interest in one area does not outweigh interest in the other. [passage omitted]

War of Politics and Water

[AL-JUMHURIYAH] The British newspaper THE TIMES reported that you said that future wars in Africa will not be fought over politics, but over water. Can you explain that statement to us?

[Ghali] What I said precisely was that future conflicts may have more to do with disputes over the distribution of water than with border disputes. This is because the entire world, particularly Africa, will be afflicted with a water shortage in the near future. Because of drought and the population explosion, demand for water will grow. Instead of relying on rainfall, more countries will need water to irrigate their crops. Countries will do that so they can meet a growing need for agricultural crops. At that time, we will need a mechanism to set proper guidelines for water usage and to set up joint projects between the countries that are involved. [passage omitted]

The Future of the Nile Basin

[AL-JUMHURIYAH] There is now an association for the countries of the Nile basin. What obstacles is this association facing?

[Ghali] This association is a political one, and its purpose is to create among the countries of the Nile Basin an awareness about the importance of cooperation between these countries. The members of this association met several times. At their most recent meeting, which was held in Cairo, they asked the UN International Development Association [IDA] to conduct a feasibility study on cooperation among the countries of the basin.

This association has met every year from 1983 to 1988. After the most recent meeting, we sensed that something new was afoot. That was when Ethiopia announced during a conversation I had with Mengistu, the president of Ethiopia, that it was willing to work with this group.

[AL-JUMHURIYAH] Is Ethiopia willing to work with the group or is it willing to join the group?

[Ghali] The Ethiopian president did not say specifically that Ethiopia would join the group, but he did indicate a willingness to cooperate with the association. You know, of course, that the group now includes Egypt, Rwanda, Sudan, Uganda, Zaire, Burundi, and Tanzania. Central Africa is also a member of the group, even though that country is not located in the Nile Basin.

Kenya and Ethiopia are the only two countries that are in the Nile Basin but are not yet members of this group. We hope they will participate in the business of this group's next meeting.

What is even more important is that the UN's IDA sent a delegation chaired by a French ambassador to the countries involved. The delegation has already sent a preliminary report, and in a month we will receive a detailed report on the forms of cooperation that are possible between the countries of the area and those in the Nile Basin. The point that must be made is that the report emphasized roads, railroads and power projects.

Electricity in particular is becoming something of major importance.

[AL-JUMHURIYAH] Why is that?

[Ghali] If Zaire's Inga power network were to be linked with Aswan's, and if the necessary dams were to be built, this group could export electricity to Europe.

We did, in fact, submit an application to the African Bank to fund a feasibility study for this project, whose construction would last 20 years.

Such a project would create mutual and common interests between Egypt and the other African countries in question. It would give us water, and it would give them the electricity, the transportation, and the roads they need. In addition, this project would break the African countries' geographic isolation, and that would be a good development in our relations with African countries.

Dialogue Between Southern Countries

[AL-JUMHURIYAH] We notice, however, that more than one regional and international organization is also becoming interested in the crisis of the Nile and in its future. How do you explain this interest?

[Ghali] The Undugo group was established primarily to promote understanding among these countries. The Economic Committee of the UN Economic and Social Council also held a conference whose aim was to promote cooperation between the countries of the Nile Basin on water related matters. And, as you indicated, other organizations are interested in that subject.

We have persuaded a number of superpowers and international organizations to offer aid to build the aforementioned huge projects. This cooperation is taking place as part of the effort to promote cooperation between the North and the South. If we want to strengthen the South's position in its dialogue with the North, the only way we can do that is to strengthen relations between the southern countries themselves first.

[AL-JUMHURIYAH] Who will fund these huge projects?

[Ghali] International organizations, including the International Bank for Reconstruction and Development and superpowers that offer grants. These include the European Community. All these organizations and countries are willing to fund regional projects such as the ones we proposed.

[AL-JUMHURIYAH] Will it be easy to guarantee this funding under the present world economic crisis?

[Ghali] Getting funding for large projects may be easier than getting funding for small ones, or the effort that will be exerted to get the funding in both cases will be equal.

In the case of the power project that I spoke with you about, funding it would be in the interests of Europe because that project will make electricity available to Europe. In other words, Europe will have clean energy, [and that is important,] especially now that the whole civilized world is fighting environmental pollution and the energy that pollutes the environment.

To put it briefly, I am saying that the equatorial lakes are our treasure. We have much to gain if we figure out how to make use of this treasure that nature has given us.

The African Brain Market

[AL-JUMHURIYAH] The Technical Cooperation Fund, which is subordinate to Egypt's Ministry of Foreign Affairs, is a fund that concerns itself with developing cooperation with the countries of the African continent. What is its role?

[Ghali] This is a strategy which Egypt has been pursuing. Egypt started building hotels and buildings in Abidjan, Bamako, and elsewhere in the sixties. Egypt also paved roads and built infrastructure projects, but it soon became clear that we did not have the adequate financial resources to carry out major projects in Africa.

Having learned this useful lesson, we focused [our attention] on the transfer of technology and technical expertise. We opened the doors of specialized Egyptian institutes to African experts, and the function of the fund was to promote this technological cooperation.

We had to benefit from our historical experiences. You may remember the slogan which was declared about establishing a common African market before the year 2000. But it turned out that this goal was beyond reach. That is why Egyptian strategy holds that setting up a market for African brains must come before an economic market for Africa is created. It is the function of the fund to promote cooperation that is consistent with that approach. The Police Academy, for example, trains officers from various African countries in fighting drugs, given the fact that the African continent has become a main route for drug trafficking between Asia and Europe. It is a route which is controlled by an international mafia. Also, the Maritime Shipping Academy trained hundreds of pilots for African ports. [passage omitted]

[AL-JUMHURIYAH] We saw that the period of oil surpluses had no significant impact on economic cooperation with African countries. How can you be optimistic about the future of such cooperation during a period when oil prices are low?

[Ghali] While economic necessities must not be diminished, the significance of political will must not be minimized, either. On the contrary, it is political will, as I see it, that controls the will of countries.

[AL-JUMHURIYAH] What does Africa represent for Arab investments from an economic standpoint?

[Ghali] Africa represents tremendous economic possibilities. It is still a virgin continent.

NPUG Head Accuses Israel, United States of Inciting Sectarianism

45040363a Cairo AL-AHALI in Arabic 10 May 89 p 7

[Report by Muhammad Hamdinu: "Khalid Muhyi-al-Din Points Accusing Finger at Israel and America for Nurturing Sectarian Conflicts in Region"]

[Text] Khalid Muhyi-al-Din pointed an accusing finger at America and Israel for inciting sectarian conflicts in Egypt and the Arab nation, explaining that, more than ever before, religion is being used in Egypt as an instrument for political struggle between the powers of progress and enlightenment and the powers of backwardness and inaction.

The above was stated during the seminar the NPUG [National Progressive Unionist Grouping [NPUG] Party held in Alexandria to conclude its series of religious seminars held throughout the month of Ramadan at party headquarters in Minya, al-Fayyum, al-Buwayrah, al-Qalyubiyah, Sawhaj and Cairo to discuss societal problems in light of the wisdom of fasting, the Mecca conquest and its impact on the victories of Islam, religion and societal issues. These seminars were attended by Messrs Mustafa 'Asi, Zayn al-Sammak and Khalil 'Abd-al-Karim, and by NPUG secretaries in the aforementioned governorates.

Khalid Muhyi-al-Din, NPUG secretary general, said that "religion is being used in Egypt today, rightly or wrongly, as an instrument for political struggle. Some view religion as an incentive for developing human emotions, for spreading a spirit of brotherhood and equality and for effecting a change for the better. These are the forces of progress. Others use religion as a tool to dominate, attain power and influence and force certain ideas on people."

Khalid Muhyi-al-din added that "the conflict in Lebanon is primarily a political struggle cloaked in religion as a coverup, and no one can deny Israel's role in this coverup. Therefore, we in Egypt do not want under any circumstances to repeat what is happening in Lebanon. We believe that the Copts are Egyptians who enjoy the same rights and bear the same responsibilities."

He said emphatically: "I do not absolve America and Israel of standing behind those who are playing the sectarian game. It is common knowledge that America strongly supports Salafi [19th century Islamic reform movement] tendencies coming in from Saudi Arabia."

Muhyi-al-Din talked about today's battle, saying that it is one of supplying people with their daily bread and providing suitable housing for millions of young people

who go until the age of 35 without marriage or a future. He wondered about the opposition coalition's opinion on these questions, on the lost rights of labor and on the high prices devastating the people. He answered by saying that they have one position on the issue of democracy, but that they want democracy in order to prevail and rule.

Khalid Muhyi-al-Din also said that "the Egyptian pound has fallen drastically and that the total budget deficit this year is expected to hit the 10 billion Egyptian pound mark. Nevertheless, the solution, from the government's point of view, lies in getting additional loans and in printing more money without a production inventory, thus leading to further deterioration and devastation."

The seminar was opened by Koranic verses read by reciter Shaykh Hamdi Sabri. Isma'il Sulayman, NPUG's Minya al-Basal secretary and Central Committee member, then took the floor to salute in the name of the participants the five colleagues who are imprisoned at the Abu Za'bal jail for their fight against higher bread prices. They are Ayman Hammudah, Jamal 'Ali Hasan, Hani 'Amman, Shahab Hasan and Ahmad Yusuf.

Engineer Zayn al-Sammak, NPUG assistant secretary for religious affairs and head of the Sidi 'Ali al-Sammak Society, then spoke about the wisdom of holding this meeting during this holy month. He said that it was taking place with the knowledge of men who have always defended the people's right to freedom and a decent life. He also spoke about Islam and its role in promoting the well-being and safety of the human race, saying that it is a religion of peace, love and brotherhood among people and that it has freed mankind of fear and injustice, thus giving people a sense of safety and security about themselves and their possessions. He ended his speech by calling upon the participants to adhere to the true Islam, the religion of progress and struggle for the good of all mankind.

Shaykh Mustafa 'Asi, NPUG secretary for religious affairs, took the floor and began his speech by talking about Khalid Muhyi-al-Din, a man of politics, principles and high moral standards. He asked the participants to listen to this man who belongs to a rare breed of men dedicating their lives to the defense of peoples' right to freedom and a decent life.

Shaykh Mustafa 'Asi emphasized that all the revealed religions agree on three values: worship of God alone; the call to do good, renounce evil, populate the earth, and spread love and justice; and the belief in the hereafter and resurrection.

About the Islamic Shari'ah, he said that where there is administration, there is God's law, and that there are no set forms [of this law] as some groups claim.

At the end of his speech, he addressed the officials, saying: "If you want to save Egypt from decline and collapse, you must apply true democracy and respect the will of the people."

Amid tumultuous applause that lasted for several minutes, Khalid Muhyi-al-Din talked about the significance of this celebration occurring in the month in which the Koran was revealed, about waging a holy war in support of Islam and about the fact that religions are an inspiration to all people in their struggle for their right to life, freedom and justice.

He talked about religion in Egypt today, saying that "it is being used, rightly or wrongly, as a tool for political conflict. It is genuinely used by some people as a strong incentive for life and a change for the better. These are the forces of progress and justice. As for the others, they use religion as a means and a tool."

Concerning this point, Khalid Muhyi-al-Din emphasized that this sort of thing had a precedent in the history of Islam, using the battle between 'Ali and Mu'awiyah as a case in point.

Regarding the anti-religious charges leveled against the NPUG, he talked about an editorial by Muslim Brotherhood Supreme Guide Hamid Abu-al-Nasr, published in the UKTUBAR magazine, accusing the NPUG of atheism. He said: "We filed a libel suit against him in court because his allegations were pure calumny. The courts ruled in our favor, convicting him on all counts and ordering him to pay us provisional damages. We now have the right to collect from him damages that fit the crime he committed against us, but we are content with the conviction."

He talked about the NPUG's role, saying: "This campaign has been waged against us because we defend the poor who are all believers. We refuse to persecute anyone because of religion or beliefs and we believe that the Copts have the same rights as the Muslims." He emphasized that "we do not wish to repeat Lebanon's tragedy in our country and I do not absolve America and Israel of this despicable game. Israel, for example, is nurturing the sectarian conflict in Lebanon, which is primarily a political conflict cloaked in religion."

Khalid Muhyi-al-din talked about religion in Israel, saying that "even though the Israelis have turned away from religion, Israel is based on the Torah which is viewed from a nationalistic and not a religious perspective. Over 60 percent of the Israeli people do not believe in anything."

Regarding the spread of the Salafi call, he said that "this call is coming into the country from Saudi Arabia with strong support from the United States that wants it to dominate the region. Today, any religious thought calling for justice is being struck down instantly and Iran is being struck today in order to subjugate it."

Khalid Muhyi-al-Din talked about the religious groups' demand that Egypt revert to Islam and that Islam is the solution. He said: "What is the sense of raising this slogan at this time when not one party and not one mortal in Egypt is advocating anything to the contrary." He wondered about the Islamic solution for wages, high prices and the problem of loans and housing, saying that "the Shari'ah does not include any particulars related to these matters because the solution is a man-made one attributed only to those who came up with it, for the alleged Islamic solution does not exist. Their slogans are one thing and their deeds are something else, as witnessed by the fact that they were the first to vote for Husni Mubarak."

He talked about those who are exporting to us the Salafi tendencies, saying that "Saudi Arabia, for example, receives 60 percent of its oil revenues and the rest is withheld for the purchase of American treasury bonds. All of them, including the Gulf countries, are under America's control and were powerless to do anything to it even when it was caught red-handed helping Iran in its war against them."

Regarding today's battle, Khalid Muhyi-al-Din said that "it is one of daily bread and housing, which is forcing young men to put off marriage until the age of 35 and young women until the age of 30. If they were truly eager, they would have offered a solution to the crisis aimed at safeguarding religion and good morals." He wondered about the coalition's opinion on labor rights, on democracy and on inflation, saying that they only talk about democracy, which to them means governing and reigning over everyone else.

About Husni Mubarak's speech on Labor Day and his statement that the crisis came into being because the government spent 30 billion Egyptian pounds on developing the infrastructure, he said: "The statement by Mubarak is not sound because in other countries 40 percent is used for the infrastructure and the other 60 percent for development which generates income the country can use to pay its debts. The first 5-year plan was aimed at building up the production sectors, but instead built up the service sectors, putting 2 million people, a million of whom are university graduates, out of work. The development plan failed and I would like to know 'Adil Husayn's view on this matter."

About the new investment law, he said that "it is a perpetuation of the previous mistake and provides for additional exemptions of up to 15 years. Law 43 gave the rich 5 billion pounds in exemptions, leading to a serious budget deficit of 8 billion pounds, expected go up to 10 billion pounds this year. Their solution is to take out more loans and to print more money, which will cause the Egyptian pound to plummet, forcing sick people to pay for their medical costs and students for their educational costs while the bigwigs evade taxes which are only

paid by salaried people. Moreover, 80 percent of business taxes are paid by the public sector and, therefore, if this sector is sold, the government will collapse.

Khalid Muhyi-al-Din talked about the problem of wheat in Egypt, saying: "The current wheat shortage has been brought about by bad policies. India, for example, that used to be vulnerable to famine, has solved this problem by encouraging the growing of wheat, which it used to buy from farmers at higher than the world price, thus creating a surplus. This is exactly the solution we need, but we are controlled by America which makes all the decisions, not to mention the powers that be who will not allow wheat farming, instead turning Egypt into a fruit farm." He used strawberries as an example, saying that strawberry farming was encouraged on the pretext of exporting them, but that this policy has failed and the crop is being dumped on the local market.

About the situation in Afghanistan, which is being exploited by the forces of backwardness, he said: "We have opposed Soviet intervention from day one and we are against any foreign intervention in any country, be it Muslim or Christian. The conflict in Afghanistan is a social one and the mujahidin now receive American and Israeli backing, something that provokes serious thought on our part."

Khalid Muhyi-al-Din also said: "We support the Afghani people's unity and efforts to solve their problems through negotiations rather than a futile war and more bloodshed. The mujahidin gave themselves 1 month to overthrow the government in Kabul. The month has passed, the deadline has been extended to 1 year and it may be further extended to 2 or more years."

Regarding the matter of prices, he said: "The government is talking to us because it is aware of our strength in this respect. By and large, this slump and the oppressive inflation have caused the people to lose confidence in the government. We offered a solution within the framework of the existing regime, but they came out against it, just as they did with regard to Mustafa al-Sa'id's resolutions, because they know that other steps that would put them in jeopardy will have to follow."

In response to a question about the current deteriorating situation, Khalid Muhyi-al-Din said: "Some efforts are being made, but are being frustrated by erroneous policies. No capitalist wants to invest in a country that has a shaky economy and is going through a recession. The current regime believes that tax breaks attract investors, but this is wrong and a large number of investment projects have failed miserably. No country in the world offers such tremendous tax breaks. In France, for example, tax breaks are given only to one type of large projects that helps to fight unemployment."

Labor Union President Discusses Public Sector Problems

45040383 Cairo MAYU in Arabic 5 Jun 89 pp 11-12

[Interview with Ahmad al-'Amawi by Nabil Abazah: "Working Paper for Egypt: Labor and Business for Once Agree on Pragmatic Solution to Egypt's Economic Problems"; in Cairo, date not specified]

[Text] For once labor and business have cast their zealotry aside in the interest of Egypt. The two sides have agreed on specific solutions and constructive proposals to grapple with the economic problems and difficulties we are now experiencing.

It is strange and dubitable that the attack on this objective and pragmatic step is not being waged by labor or business, but rather by two party newspapers, one rightist and one leftist.

True, these two parties hold contrasting opinions and ideologies, but they do agree on one goal, namely to strike at the union movement.

I asked Ahmad al-'Amawi, president of the Labor Federation and the originator and engineer of this bold unprecedented step, about the circumstances that led to this paper and this agreement?

[Al-'Amawi] Last year when we attended the International Labor Organization meetings, during which the Egyptian delegation represented the government, labor and business, I had a conversation with Dr 'Adil (Jizarin?) about Egypt's economic difficulties. There was no doubt in our minds that we, as producers, needed to have opinions and proposals for reform. When we returned, he sent me a letter suggesting the formation of a joint committee to come up with proposals and objective studies. I presented this letter to the federation's board of directors and the general union leaders welcomed it. In fact, we selected a group of brothers and I met with members of the Federation of Industries and the Chambers of Commerce Federation. This group was headed by Anwar 'Ishmawi, vice-president of the Labor Federation. Their meetings came out with a working paper which contained good ideas. I presented this paper to the federation's board of directors and some members requested that certain changes be made. We formed a second committee and sat here around this same table to discuss the new proposals. Discussions and changes went on and, finally, the fourth paper was presented to the board in its final form on Wednesday, last 24 May, when it was approved.

[MAYU] Some party newspapers reported that some unions opposed this paper. Is this true?

[Al-'Amawi] Opposition is being voiced by certain party newspapers, AL-SHA'B and AL-AHALI in particular. I do not know the connection between them, for one is rightist and the other leftist. They have agreed, however,

to create a chasm in the union movement with a view to destroying it, but this movement is strong and cohesive. All the brothers in their meetings and discussions rose to the occasion, and the unions unanimously approved this paper and commissioned the federation president to sign it. Moreover, the paper does not belong to me but represents the federation's thinking.

[MAYU] What idea does this paper embrace?

[Al-'Amawi] To begin with, labor and business are focusing on the idea that the public sector is the foundation or the mainstay of the national economy. Hence, they do not disagree over the public sector or labor gains in the public sector, be they labor representation in the board of directors or other gains. These questions were not brought up for discussion, and we will not allow them to be brought up, because they are now constitutional and incontestable matters. We did bring up for discussion, however, the public sector's economic conditions and ways to improve them. We found that government control is holding this sector back and is tying its hands with regulations. We proposed that the public sector free itself of this control by separating management from ownership. This idea is not new, for we called for it in 1979 during the production conference. The fact is that the businessmen's role in this recommendation was to agree on our point of view only.

[MAYU] Will this separation of management and ownership solve the problems?

[Al-'Amawi] So long as the government is the owner and manager, it steers the public sector toward erroneous fiscal and price policies tied to the political line and concept. We say that the public sector must be ruled by an economic concept and profit will ultimately go to the people and the workers. If the public sector is successful, it will be able to expand and create more jobs and investment opportunities.

[MAYU] What price policy do you propose?

[Al-'Amawi] The public sector cannot go on this way, being drained in this fashion. We are draining it. We liken the public sector to the human body that has a limited amount of blood and if left to bleed, it will die. Therefore, it must have a price policy that can generate a certain amount of revenue. Regarding the social price, the government is welcome to buy the production at its fixed price and sell it through its own sales outlets.

A company that sustained heavy losses by producing a certain commodity was forced to lower its production to cut its losses, but the minister intervened, asking it to raise its production. The company said: "We are losing. Supply us with the raw material and we will manufacture for you." The minister, however, insisted that the company buy the raw materials and sustain a loss! This policy drains the public sector.

[MAYU] What about the financial structures?

[Al-'Amawi] The public sector is burdened with debts and interest payments. We have proposed to the government to consider these debts as contribution to capital, especially that the sector's present assets are much greater than their value, thus providing it with liquidity and allowing it to get rid of restrictions and interest payments to turn to production and the construction of new production lines.

[MAYU] What about selecting leaders?

[Al-'Amawi] One reason for the public sector's weakness is weak management. Therefore, managers must be selected in an objective manner from among technicians who grew up in it. A second and a third line of managers must also be created.

[MAYU] This concerns the public sector. What have you proposed for the private sector?

[Al-'Amawi] We have asked that barriers and restrictions impeding the private sector be removed, that the sector receive specific government encouragement and that the government study the situation on faltering companies and, in the interest of their employees, reschedule their debts to prevent them from going under. We, as a labor federation, encourage and support investment to create greater job opportunities.

[MAYU] What other topics did the paper or the agreement deal with?

[Al-'Amawi] We said that education is basic and our human wealth in education is very important. Education has many gaps and a large number of graduates do not meet the required standards, especially since we are facing serious competition from Asian labor. We said that education must be free up to the college level. Free college education, however, must be limited to academically qualified—and we did not say outstanding—individuals who are ready for college. Such individuals must not be admitted haphazardly but, as in all European countries, must qualify through certain examinations.

We said in this paper that opportunities must be made available to those who are academically ready for college and who are regularly successful. Unqualified people and those who fail must pay for their education. This is not a breach of the principle of free college education.

[MAYU] The serious problem is that most of our factories depend on assembly rather than actual manufacture, thus forcing us to import components and needs with hard currency. Did the paper touch on this problem?

[Al-'Amawi] We talked in the paper about the importance of conducting scientific research in order to eliminate the need to import components, a rate that went up to 70 percent and is now 90 percent. The reason is that

industrialization costs money. If a factory finds itself losing and without the necessary money to manufacture the components, it takes the easy way out, which is to import ready-made requirements; whereas research is the most serious and important step in industry, any industry, for the manufacture and development of new products.

[MAYU] Did the paper touch on wages and incentives?

[Al-'Amawi] We asked that each company institute rules and regulations for a reward and punishment system based on agreed-upon precepts so that the union organization may maintain its leverage with the company's management, especially since we are calling for a wage increase which is different from incentives. A wage increase renders incentives a motivational tool that must be governed by precepts in order to prevent abuse by management or labor.

[MAYU] Some people contend that the present incentive system does not promote higher production. What do you think?

[Al-'Amawi] Every company, in the public sector in particular, has a union committee and elected board members with whom it can meet to agree on an objective reward and punishment system that rewards hard work. Has anyone called for the institution of a real system only to then be rebuffed by labor? The fact is that wages are very low and incentives were created as a supplement. For 10 years we have been advocating raising wages and making them comparative, whereby an industrious company would get more and a mediocre company less. But we were told to leave wages the way they are and to institute incentives. Even incentives, like wages, are now equal! This is a job for management, which must devise systems that can stimulate production. Now that workers can serve on the board of directors, they will be intent on safeguarding their own interests, as well as those of production. When such a system is devised and approved by labor and management alike, it becomes a "contract" between labor and management.

[MAYU] How can we raise employee productivity which has allegedly dropped greatly, to only 27 minutes a day?

[Al-'Amawi] This tale of 27 minutes is unacceptable. It is an accounting error committed by dividing the GNP by 13 million which is the strength of the labor force in Egypt, including 4 million that comprise the private sector, agriculture and the government sector. The GNP [gross national product] should have been divided by 1.2 million only, which is the number of public sector employees.

[MAYU] Whatever the rate, how can we raise employee productivity?

[Al-'Amawi] It is very difficult under the present circumstances to stimulate and raise productivity because the current situation is not conducive to that. For example, a factory that orders raw material has to suspend its operations for 2 months until the raw material arrives!

[MAYU] Why not order raw materials in advance?

[Al-'Amawi] It is not a problem of knowing when to order. It is a problem of not having the necessary hard currency to buy the material. The factory has to wait until hard currency is available! There are also the questions of technical malfunctions which are out of the factory's control, such as power outages that may occur two months out of a year and primitive technological methods that are in use. Many of our factories still use manual construction techniques. There are, of course, modern machines, but they are few. Moreover, personnel training techniques do not provide workers with the required skills.

We do Egyptian workers an injustice when we compare them to Japanese or other workers, because the circumstances are not the same. This is not a fair comparison. If provided with all the capabilities and conditions the Japanese workers enjoy, Egyptian workers may become better than or almost equal to them.

[MAYU] What will be the fate of this paper, and is there an effective way to implement it?

[Al-'Amawi] We must find a proper "beginning" for our economic problems. I consider this paper a "beginning" and mere ideas that can be translated into projects. We are saying that the government should study this paper with its advisors to determine the possibility of implementing these proposals and ideas we have come up with.

We did what we had to do and it is up to the government now to see it through.

Specialists Discuss Freeing Public Sector From Government

45040357 Cairo AKHIR SA'AH in Arabic
24 May 89 pp 12-13, 56

[Interview with Housing Minister Hasaballah al-Kafrawi, Industry Minister Muhammad 'Abd-al-Wahhab, First Deputy Minister of Industry Ahmad Salih, President of the Union for Businessmen and Egyptian Industries Dr 'Adil Jizarin, and Labor Union President Ahmad al-'Imawi by Suhayr al-Husayni; date and place not given; first five paragraphs are AKHIR SA'AH introduction]

[Text] The state is making efforts to solve the economic problem and reduce its acuteness. President Mubarak is giving special attention to this problem, as made clear by his attendance at meetings of the economic committee of the National Democratic Party to study the new investment law.

Therefore, the Federation of Businessmen and the Federation of Workers have submitted a joint study which aims to reform the course of the economy. Economic analysts agree that it is one of the most important recently produced economic studies, inasmuch as it is an unprecedented expression of a unified viewpoint on which both production components—workers and employers—agree. The study includes recommendations to:

1. Free the public sector by separating ownership and administration.
2. Re-examine contradictory laws and decisions.
3. Remove obstacles impeding the private sector.
4. Increase production to stop waves of inflation.
5. Change the interest rate to attract savings.
6. Limit the state's dependence on the banking system for financing the budget deficit.
7. Eliminate the division of the public sector according to product type, separate its companies from the ministries, and create the post of deputy prime minister for public sector affairs.

AKHIR SA'AH was eager to discuss this study and its recommendations with officials, specialists, economic policy executives and public sector administrators.

A number of questions were raised: Is this study an attempt to save the public sector? Will its application transform the public sector's losses into successful operations? Is the proposed system a return to the system of institutions followed in the 1960s? Will the application of this system limit the government's authority over the public sector? Can these recommendations be applied without radically changing the public sector's current structure?

We first interviewed the Minister of Housing, Utilities and New Communities, Engineer Hasaballah al-Kafrawi. Al-Kafrawi, whose ministry oversees 40 public sector companies, stated the following regarding the new draft law submitted by the Federation of Businessmen and the Federation of Workers:

[Al-Kafrawi] I agree completely to the application of this system to public sector companies. It is a well-known system which has been applied with great success in France and Italy, where public sector companies operate efficiently at very high production capacities.

[AKHIR SA'AH] The proposed draft law calls for separating public sector companies from the ministries and for appointing one deputy prime minister to supervise all companies. Can one person administer all types of activities, from agriculture to housing, industry, tourism, banks, etc.?

[Al-Kafrawi] The area of modern administration does not require a textiles factory administrator to be a textiles engineer or even an engineer. The important factor here is the administrative mentality of whomever is responsible for administration. With this mentality, one can administer an iron factory, contracts, or an agricultural, industrial or tourism project.

[AKHIR SA'AH] What happens after the withdrawal of the minister's supervisory authority over the companies? What will his function then be?

[Al-Kafrawi] Here, the minister becomes the general policymaker in his field, inasmuch as a minister such as myself certainly cannot supervise the 40 factories under my supervision in the necessary manner. This truth disturbs no one. I can only monitor reports, read budgets, meet with the heads of companies' administrative boards and attempt to solve their problems, because I have many other great burdens which divert me at times from devoting adequate time to the companies.

[AKHIR SA'AH] As housing minister, are you satisfied with the method followed in the 40 companies subordinate to the Housing Ministry?

[Al-Kafrawi] Certainly not. If the control of the 40 companies subordinate to the Housing Ministry were in my hands I would do the following: First, I would dissolve three or four them. Then I would merge 10 or 12 companies and sell 30 companies to their workers, provided that I keep 10 companies just to control prices and provided that surplus manpower in these 10 companies be dismissed.

The Public Sector and Administrative Controls

[AKHIR SA'AH] The new draft law also calls for the government not to intervene in pricing policy, except in the distribution phase. It is well known that the government is always intervening to protect the consumer, balance market prices by means of public sector production and prevent overpricing by the private sector.

[Al-Kafrawi] It is assumed that any operations sector, be it the public, private or investment sector, must produce affordable products to achieve its goals successfully. If the government desired to subsidize production, it would do so in the final distribution phases, so that products reach the consumer at affordable prices.

Nonetheless, in my opinion, the difference between the public and private sectors can be summarized by two major points. The first is that the public sector operates

without adequate administrative controls. Everyone operates with the perception that this is "government property," or that "public property is ownerless." We all know this and are trying to change these concepts to no avail. Therefore, when we enter a public sector company, we find bad debt [haalik], stagnant inventory and losses. All of this is reflected ultimately in the price of the company's finished product. This problem does not exist in the private sector, which is trying to curtail its expenditures as much as possible. Thus, a task in the private sector requiring four individuals is being performed by two at most. If the private sector is balanced, it can realize good profits by merely curtailing and controlling expenditures, whether for manpower, inventory or bad debt. The opposite situation obtains in public sector companies. Therefore, the public sector is sometimes unable to compete with the private sector and is encumbered by the self-made internal burdens which I mentioned. For example, if a truck breaks down in the private sector, its owner stands over it until it is restored to working order. In the public sector, if a truck breaks down and requires a (jawan?) costing 3 Egyptian pounds, the truck is completely deactivated and stored. Subsequently, it is likely to be used for spare parts for other vehicles while sitting in the garage. Thus, a truck disabled due to a (jawan) turns into a completely inoperable vehicle for the well-known reason that it is government property!!

[AKHIR SA'AH] Where is the role and authority of the minister? Why does he not intervene to correct these situations?

[Al-Kafrawi] Simply because the labor law in Egypt must be changed. More frankly put, if the chairman of a company is informed that he will be cashiered if such and such does not happen, he will monitor these situations and work to correct them. No one, however, is being fired at present. Managers are unsupervised; they err and are not fired!!

[AKHIR SA'AH] In your opinion, is it possible to reform these situations and change the laws pertaining to the current public sector system without radically changing the public sector organizations?

[Al-Kafrawi] The important factor is the will to reform and change. There are contract companies operating on a completely sound system and producing great results under the current system. There are also failing companies. The difference between successful and failing companies lies in the chairman of their administrative boards. One type of chairman loves to work, is God-fearing, maintains his honor, and has internal drive. Our call for change applies to the apathetic chairman who does not take into account his conscience or the country's interests. Hence, we call for changing the situation completely.

Need To Change Labor Laws

[AKHIR SA'AH] It is well known that the public sector is the basic support structure for industry and for effecting social balance and balanced prices. Are there concerns that it will start to pursue special interests detached from the interests of the consumer and public sector workers if it is managed by the private sector system?

[Al-Kafrawi] In my opinion, there are two types of public sector, and the state must strive to preserve both of them.

The first is heavy industry, which the private sector has not entered due to the enormous capital requirements and insufficient profit margin of these industries, such as the railroad, cement, sewerage and others industries. Thus, the state must assume responsibility for these industries. This is their fate.

The second type comprises the price control industries, including a number of bakeries and consumer enterprises [mujamma'at], textiles and cotton thread factories and pharmaceutical plants, all maintained by the state. I say some, not all such factories. This group is only intended to control prices and to guarantee the availability of commodities. If the state wishes to subsidize these products and forego realizing a profit, it would do so through the factories which it owns. These factories will also provide the state with a sound idea of production costs in case the private sector attempts to overprice. The same applies to agriculture. The government can own a limited farm for experimentation and advising fellahs. But it does not own all lands, only a 1,000-feddan experimental farm. In this way, we will lessen the burden on the state and not incur losses, as is happening presently.

The public sector's annual return is only .03 percent, whereas the private sector, if it does not realize an annual profit of 10 or 15 percent, dismisses workers and seeks out other activity.

Here, the tremendous gap between the two figures permits us to deduce a need for change in order for public sector companies to be managed economically. This can be done through the sale of some of them to either workers or individuals. We have before us the experience of British Prime Minister Thatcher, which involves the daily sale of a portion of the governmental factories to the workers. Notwithstanding, the situation has been completely stable, and she has thus been able to reform Britain's economy. At the same time, the workers did not become angry, because problems were resolved through study and sound logic.

Separation of Administration From Ownership

The interview now shifts to the Minister of Industry, Eng Muhammad 'Abd-al-Wahhab, whose ministry includes 117 public sector companies. He states:

The separation of the administration of the public sector from government ownership or subordination is an accepted principle advocated by all of us. Nonetheless, the proposed manner by which to apply this separation is open to discussion, study and independent judgement. The principle of separating the public sector from government ownership has been applied successfully in France and Italy, where public sector companies are not subordinate to a minister. Rather, they can be subordinate to a deputy prime minister, who is subordinate to the cabinet or parliament.

[AKHIR SA'AH] Under the current system of the public industrial sector, can we achieve the results and goals required of this sector, or must there be a radical change, as recommended by the study submitted by the Federation of Businessmen and the Federation of Workers?

[Abd-al-Wahhab] The public sector can achieve its objectives under the current system if we separate ownership from administration. In my opinion, the fact that the minister serves as chairman of the board [jam'iyah 'umumiyah] does not mean that he intervenes in company activity. The important factor is the non-intervention of the ministry's agencies in the activities of the company. The agencies of the Ministry of Industry do not in any way intervene in the executive activity of companies. These companies are administered by the chairmen of their administrative boards, who are completely mandated to do so. The minister's role is to monitor and to supervise, as stipulated by the constitution, which makes the minister responsible for monitoring and evaluating performance before the People's Assembly.

[AKHIR SA'AH] The study recommends that the public sector operate completely under the administration of one individual with the rank of deputy prime minister. What is your opinion of that recommendation?

[Abd-al-Wahhab] This is an acceptable, sound recommendation if the entire public sector is combined in one official agency. For example, in Italy, there are only two organizations, "(Ibri)" "(Ini)," which combine all activities. There are no public industrial, agriculture, banking, aviation or tourism sectors. These two organizations embrace all factories and companies specialized in different areas. In such a situation, their subordination to a specialist minister is unfeasible.

[AKHIR SA'AH] What are the characteristics of this system?

[Abd-al-Wahhab] Actually, all of the companies would interact and be integrated. Thus, the organization's bank would finance its companies, its aviation company would transport production abroad, and so on. It is an integrated system and an outstanding concept which must be applied comprehensively in the framework of an integrated system, so that each such organization would

include a bank, an insurance company and an aviation company. This type of integrated aggregate differs greatly from the currently existing aggregation of companies.

Freeing the Public Sector

[AKHIR SA'AH] Does Egypt currently require such a radical change in the public sector?

['Abd-al-Wahhab] We have a great need to free the public sector and allow administrative freedoms. The public sector in all states of the world operates according to defined goals.

The person supervising the sector strives to achieve these goals and to avoid interfering with operations. We are not interfering in the daily executive activity of the companies.

In any case, we in Egypt have begun to move toward freeing the public sector from its routine. Nonetheless, there are basic authorities still under the minister's control, such as appointments and promotions in the administration. I believe that the law can be changed so that these authorities become the prerogatives of the companies' administrative boards. These are all independent judgments and not recommendations for reform.

[AKHIR SA'AH] What is the extent of the minister's intervention in procedures pertaining to appointment and promotion to the supreme administration at present?

['Abd-al-Wahhab] Actually, at present, whomever is nominated by the company is appointed. This is only a procedure to achieve discipline and stability inside the companies without interfering. The ministry does not appoint its own personnel in the companies.

Protecting the Product From Fatal Competition

[AKHIR SA'AH] What about the government's intervention in price policy regarding public sector products?

['Abd-al-Wahhab] This is an agreed principle in Egypt. Generally, we intervene in price policy only to protect the consumer from exploitation. This policy is applied equally in the public and private sectors. The sovereign authorities of the state are permitted to monitor prices to prevent monopolies and overpricing on the part of producer companies. This matter has no connection to prices.

The minister added: I believe that economic and social price fixing has been remedied in the public sector companies for some time. Industrial public sector companies currently produce affordable products, and subsidization occurs only in the distribution phase, which is what they are currently demanding even though this

discussion has occurred before and we were able to go beyond it. I do not know whether or not those discussing it at present are aware of that development!

[AKHIR SA'AH] In discussions about the study submitted by the Federation of Businessmen and the Federation of Workers, it is often remarked that a minister could encourage public sector companies under his supervision and inquire about their results in such a way as to affect the activity of the private sector. What is your comment?

['Abd-al-Wahhab] This statement is completely incorrect. We protect the Egyptian producer from damaging competition whether or not the producer is a public, private or investment sector producer. Therefore, when there are sufficient production capabilities to satisfy market needs in the state regardless of their type, we prohibit the establishment of new capabilities to prevent damaging competition which could develop into fatal competition. This is a general policy unrelated to the public or private sector.

Eng Muhammad 'Abd-al-Wahhab went on to say: I emphasize that the ministry can give priority regarding state-derived investment to the private sector, and the ministry alone cannot provide all aid and backing. Generally, if a minister's supervision over companies subordinate to the ministry is eliminated, they request supervision from the deputy prime minister!!

Government Intervention To Protect the Consumer

Continuing the discussion of the study submitted by the Federation of Businessmen and the Federation of Workers, AKHIR SA'AH interviewed the First Deputy Minister of Industry, Ahmad Salih, to discuss the extent of the intervention of ministerial agencies and authorities regarding companies currently subordinate to them.

[Salih] Ministerial agencies do not interfere in the executive operations of the companies. This is the responsibility of the administrative board, which possesses all the administrative mandates to do so. If there is a sovereign government authority, it exists based on a desire to protect the producers first, then the consumer.

[AKHIR SA'AH] How?

[Salih] Protection of the producer through import ban decisions if production of a specific commodity fulfills the needs of the local market regarding quantity, quality and affordability. Regardless of whether the producer is subordinate to the public, private or joint sector, a decision is issued to prohibit importation.

Also, the consumer is protected by the price and quality monitoring agencies. It is inconceivable for us to allow a group of monopolists to exploit the consumer in the light

of a shortage in the supply of some commodities, especially since Egypt has no associations to protect the consumer as do foreign countries. Therefore, government agencies must intervene to protect the consumer.

[AKHIR SA'AH] You have worked in the public sector for more than 25 years. You began to work in this sector under the system of institutions, and you have wound up with the system of product-specific organizations. Does reform require returning to the system of institutions again as the study advocates?

[Salih] The public sector is currently managed according to the system of product-specific organizations, i.e., the combination of a group of companies which produce a standardized product within each ministry. This is a good arrangement which facilitates coordination, planning, monitoring, purchasing and marketing operations in the public sector. This system has no faults and is considered one of the most successful systems in the area of public sector administration. I cannot imagine all of the 375 public sector companies, with their different areas of activity, being administered by one person. There are advanced states which apply the product-specific system and other states which apply the integrated system depending on the nature of activity. There is no stipulation or rule stating that we must adhere to a specific system. Nonetheless, it is important that the system be compatible with the nature of activity.

Separating the Budget of the Public Sector

[AKHIR SA'AH] Does the public industrial sector's continued application of the current system require changing specific laws or taking obligatory measures so that this sector can achieve the necessary results and objectives?

[Salih] In order to do justice to the public sector or to avoid creating confusion regarding the evaluation of its performance, the public sector budget should be separated from the state budget. The public sector must have an independent budget so that we can evaluate its performance in isolation from the governmental bureaucracy, inasmuch as it has been noted that we currently combine the government with the public sector in conversation. We do this even though the two are unconnected. The government represents the owner of capital. Therefore, it must limit its role to only obtaining profits, because the operations sector will be altogether unsuccessful as long as the government and the public sector are mixed, given that the operations sector has characteristics and support bases quite different from the nature of government activity.

It suffices to mention the tragedy which followed the application of the functional [wazifi] reform laws in the public sector. When we advocate separating the budget from the government, we then define the relation between the public sector and the central agencies, which must be a relation of goals and results. Under the current

system, it is possible to apply the system of separating ownership from administration and to free the public sector by separating its budget from the government and reorganizing its relation with central agencies such as the planning, finance and other agencies. Changing the names of ministries to institutions and subordinate companies does not effect reform. Rather, we would face the same problems. Measures, not names, must be changed. The current law has great flexibility regarding the administration of the public sector, and there is also the new law for public sector organizations issued in 1983. Thus, an abundance of changes is not required in the operations sectors. Stability is what is needed.

Public Sector Profits

[AKHIR SA'AH] Are you currently satisfied with the results and profits of public sector operations? What is your appraisal of the current performance of the public industrial sector?

[Salih] Public sector industrial operations have yielded good results over the past 5 years. Last year, this sector realized 11.5 billion Egyptian pounds compared to no more than 5 billion Egyptian pounds in 1983-84. Also, before tax and reserve fund, the 117 companies of the public industrial sector realized profits of 1.2 billion Egyptian pounds, with a 45-percent-plus return on capital owned by profitable companies, and an 18-percent return on capital invested in profitable companies.

The public industrial sector does not suffer from internal crises. Nonetheless, the separation of the budget and the determination of this sector's relation with the central agencies is the basis of the problem. Is it logical that we add the utilities and infrastructure of governmental agencies to public sector investments! Therefore the figures are inaccurate, sometimes being stated as 110 billion or 97 billion. Therefore, the actual operational results of this sector cannot be demonstrated so long as its budget is not separated from the government budget. Is this sector fulfilling its role? I maintain that the public sector is fulfilling its role and has continued to be an exemplary sector effecting a balance in the local market, especially since the private sector's market presence has so far not attained influential proportions. Therefore, we are not doing justice to this sector by putting it on a balance which combines the government and the public sector.

Problems of the Workers and the Employers

In order to complement the viewpoint of government and public sector affairs specialists presented above, we must hear the opinions of the study's authors and discuss their recommendations and philosophy concerning change. To this end we interviewed Dr 'Adil Jizarin, the chairman of the Federation of Businessmen and Egyptian Industries. Regarding the objective of change, he stated:

[Jizarin] This study was issued by the joint committee of representatives of the Federation of Workers and representatives of the businessmen. Also, we held numerous meetings with representatives of the Egyptian Industries Federation, the Federation of Chambers of Commerce, the Investors Federation and the Association of Businessmen. These meetings aimed to develop unified thinking and opinions based on our interest in reform of benefit to all.

Through these meetings, we attempted to develop an objective viewpoint regarding the object of complaints by producers and workers in order to surmount production problems and to elevate hidden production capabilities, which can be increased a hundred-fold in Egypt.

[AKHIR SA'AH] What are the most important problems impeding production from the study's standpoint?

[Jizarin] Unemployment is perhaps the most important problem which must be confronted decisively in the near future. Another is production shortages. The public sector is doubtlessly the central pillar of the Egyptian economy. Therefore, it must be reformed and revised under the current circumstances. Reform can only come about by separating the public sector from government subordination, i.e., separating administration from ownership. The subordination of public sector companies to a minister gives the government an opportunity to interfere in the administrative and production affairs of the companies through the minister. This definitely has a negative effect on these companies' production.

For example, a minister, by virtue of his responsibility for the public sector companies subordinate to him, always pursues the interest of these companies, even at the expense of private sector companies. Furthermore, in order for the minister to protect public sector companies, he might resort to fighting the private sector. Hence, the ideal solution which we all reached is the non-subordination of such organizations as the Economic Organization and the Egypt and Nasr Organization, to which a number of companies operating in different fields would be subordinate.

This would be done with the proviso that these organizations would operate as holding companies which would supervise these companies.

[AKHIR SA'AH] Does the product-specific system currently applied in the public sector provide an opportunity for specialized supervision of producing companies?

[Jizarin] It is assumed that the supervisor would not intervene in the operation of the companies. He would only monitor. For example, the Ministry of Industry includes 117 companies. Can the Minister conceivably supervise and monitor all of these companies?

No, because it is assumed that each company has an administrative board. Therefore, we recommend removing the companies from government control and employing the holding company system.

[AKHIR SA'AH] What are the advantages of using the holding company system in the public sector?

[Jizarin] The holding company represents the owners of capital. In the public sector, the owner of capital is the government. These companies operate as do the currently existing product-specific organizations, but with the simple difference that they will have more than one activity subordinate to them. They can embrace agricultural, industrial, commercial, tourism and banking activities as well as aviation companies. By separating administration from ownership, this system, which was applied in the 1960s with great success, precludes the government from interfering in company operations.

Ministry's Role Not to Be Eliminated

[AKHIR SA'AH] What is the ministries' recommended role in the light of the study?

[Jizarin] They would participate in formulating the general plan and laws. I do not eliminate the ministry's role completely. This system was applied successfully during Dr 'Aziz Sidqi's tenure. Moreover, it is currently applied in Italy, France and most of the European states which have a public sector. In Italy, there are only two institutions, "(Iri)" and "(Ini)," to which all public sector companies are subordinated and supervised based on the holding company system. Therefore, it is a completely successful system free from government interference. The government represents the owner of capital and must put its trust in the administration. At the end of the year it asks the administration for an accounting of profits and results. If it senses that the administration is incapable of realizing its objectives, it acts to change it immediately.

[AKHIR SA'AH] Therefore, is the system which you are advocating a return to an old system followed in the 1960s, or is the study advancing something new?

[Jizarin] The new factor in this study is that for the first time in Egypt, the workers are meeting with the employers and capital providers based on a unified decision and viewpoint and a common interest. Previously the employer and the workers were at odds; if one said yes, the other inevitably said no.

Controlling Spending and Increasing Production

[AKHIR SA'AH] What are the other important recommendations included in the study submitted by the two federations?

[Jizarin] One of the most important recommendations is to limit inflation by controlling general spending and increasing production, which is a sound way to limit inflationary waves. Therefore, the role played by the government, producers and workers is the foundation for increasing production. The government must indeed desire to increase production, not just limit inflation. Moreover, in order to encourage the creation of new employment opportunities, it must change many of its current orientations and impress administrative thinking with the need to economize.

The study includes a demand to create new investment and savings instruments and channels which fulfill the needs of diverse groups of savers and investors, so that the return on each instrument matches the degree of risk which it entails. The study also calls for ending the state's dependence on the banking apparatus to finance the budget deficit and for re-examining existing economic legislation with a view toward stimulating the production process by stemming the profusion of state monitoring agencies and by coordinating them so that they do not impede production and production increases.

There has also been a profusion of reports which price products and services on uneconomic or unrealistic bases, and prices are usually frozen for long periods without consideration of increases in production costs, which damages the producer and disposes him to cease production. Therefore commodities and products must be priced on economic and realistic bases which take into account controlled cost and the interests of producers and consumers. If the government desires to subsidize production in a limited manner for the consumer's benefit, it can do so in the distribution phase.

Problems and Solutions

AKHIR SA'AH moved on to the final partner in the study, the Federation of Workers, where we meet with the chairman of the federation, Ahmad al-'Imawi, who discusses the most important characteristics of the proposed change. He states:

We are not defining a specific form of change or operation in the public sector. Rather, we wish to make the administrative board free to administer public sector companies, and to free the public sector from the constraints of subordination to the government. Application of these changes, be it via a division based on product type or other such methods, is a formal matter. The issue is granting operational and decisionmaking freedom to public sector companies, with accountability, provided that accounting be carried out by the boards of directors, which must formed so as to make serious accounting possible.

[AKHIR SA'AH] How long did the study last before it was announced?

['Imawi] Two full years. The recommendations were discussed in different employee or employer agencies and pertinent units concerned with production problems.

[AKHIR SA'AH] It is well known that there is a percentage of workers on the administrative boards. Also, they attend different conferences pertaining to production and the public sector. Why did you not attempt to present these recommendations through these channels, which are available to the workers?

['Imawi] It was first thought to undertake a study because there are economic problems which cannot be solved by meetings or conferences. These conferences are subject to a number of problems. They always resort to scientific, academic solutions. The employers and workers are actually facing real problems which impede production, and for which the appropriate solutions are unavailable. On this premise, the federation agreed that it was necessary to raise its problems and recommend solutions for them, which is what is contained in the joint statement.

Freedom of Decision in the Public Sector

[AKHIR SA'AH] What are the most important problems examined in the study and their recommended solutions?

['Imawi] First: The separation of ownership from administration and the freedom to make decisions in the public sector.

Second: The application of a policy of immediate reward or punishment, so as to make reward and punishment purposeful and impersonal; and serious accountability for the results of an economic unit. Incrimination is presumed to be a deterrent factor which must match the offense. Nevertheless, excess in the use of the weapon of incrimination regarding offenses, however trivial, affects the activity and morale of the worker and causes him to lose good will and commitment. All of these factors negatively affect economic activity and the stability of workers and producers.

['Imawi] It is also necessary to re-examine specific statutes pertaining to workers in different sectors, with a view toward legislating serious incentives linked to performance, a guarantee of fairness between workers and the absolutely fair application of the principle of reward and punishment. In addition, the price policy must be examined in an economic manner, government intervention to subsidize the producer must be done in the distribution phases, and products must be sold to the consumer at affordable prices. These demands are currently absent from the labor laws.

[AKHIR SA'AH] Nevertheless, are not most of these demands as good as guaranteed in the current labor law?

[Imawi] Whether these demands are absent or hidden—i.e., some people do not employ them even though some of them exist in the current statutes and regulations—the administration nonetheless does not deal with them.

[AKHIR SA'AH] Is it possible to implement these recommendations under the current public sector system?

[Imawi] It is very possible. These organizational issues aim to improve performance without affecting the essence of the public sector and its objectives, because the public sector is considered the primary pillar of the Egyptian economy. No one disputes its importance or the lack of an alternative to it.

Elimination of Governmental Subordination

[AKHIR SA'AH] You have demanded the elimination of governmental control by eliminating the authority of the minister in order to end subordination. Then, you recommend that subordination be to a deputy prime minister, who would also represent the government. What is the purpose of this recommendation?

[Imawi] The submitted recommendation to make the public sector subordinate to one official, namely a deputy prime minister, pertains to mere political subordination should it be necessary to interpellate legislative organizations, such as the People's Assembly. When an interpellation is submitted by the board, it must be submitted to a member of the government. Administrative, organizational and economic subordination must be to the public sector itself, which must have its own rules and regulations, whether for each company or for each product-specific sector.

[AKHIR SA'AH] You have demanded a return to conventional monitoring rules. What are these rules?

[Imawi] The conventional monitoring rules are carried out by the companies' board of directors, which constitutes legal supervision, in cooperation with several agencies subordinate to the public sector. Nonetheless, numerous monitoring agencies currently exist. Furthermore, they are at odds with each other, which damages and negatively affects the employer.

SLP Youth To Join Delegation to Pyongyang World Conference

45000160 Cairo AL-SHA'B in Arabic 23 May 89 p 9

[Text] The Union of Socialist Labor Party [SLP] Youth will join the Egyptian national youth delegation in participating in the world youth conference in Pyongyang, North Korea [in July 1989, sponsored by the World Federation of Democratic Youth].

This is considered the first time that Egypt has participated by sending a youth delegation comprising all of the factions of the various parties to prepare for this world conference.

Dr Salah 'Abdallah told AL-SHA'B that, in preparation for the conference, the Union of SLP Youth is contributing several cadres of party youth to the Egyptian delegation who are expected to present a paper on human rights and freedoms.

The preparatory committee has already agreed to accompany a troupe of Eastern popular artists. The Eastern troupe is considered one of the best, as it has won first place in a number of international competitions.

Alexandria Court Cancels Transfer Order for Union Members

45000157 Cairo AL-AHALI in Arabic 3 May 89 p 4

[Report by Muhammad Hamdinu]

[Text] Alexandria—The district labor court in Alexandria under Judge Bilal Muhammad Sha'ban has issued a ruling on case 327 of 1987 canceling the decision of the Palestine Hotel's foreign management to transfer five union committee members to work in the San Stefano Hotel. The five union members are Muhammad Salah-al-Din Muhammad, Zakariyah Fawzi 'Uthman, Qadri Mustafa Mutawalli, Shukri 'Abd-al-Sattar Muhammad and Mustafa Husayn al-Shadhili.

The court stated in its judgment that the decision to transfer them from the Palestine Hotel was carried out without their agreement and occurred after their victory in the labor elections, and therefore was a violation of the law that gives them certain immunities.

The court asserted that the Egyptian Hotels Company's leasing of the hotel to the foreign company does not constitute a legal violation by the lessee, but that it must operate and manage the hotel under the legal regulations drawn up by the Egyptian legislature.

Minister of Tourism Fu'ad Sultan had agreed to the foreign company's decision to fire the five union members and refused to grant them any legal protection. In fact, he maltreated them several times, including transferring them a second time to work in Aswan. Lawyers 'Adil al-Shahhat and Hidayah al-Barrawi defended the labor [position] in court.

Parts Contract Sparks Hope for Advanced Industry

45040386A Cairo AL-AKHBAR in Arabic 1 Jun 89 p 3

[Editorial by Mahmud 'Abd-al-Mun'im Murad: Words]

[Text] It makes a person very happy to see and hear about the success Egyptian workers are scoring in competing with foreigners in industries that require skill, mastery and sophisticated technology. One such great achievement is the contract, reported in the press, which the Arab Organization for Industrialization [AOI] has signed to produce major basic parts used in the manufacture of F-16 airplanes. It is not likely that a major

American company that produces these and other sophisticated warplanes would have signed such a contract with the AOI without ensuring that the Egyptians are perfectly capable of producing the required parts according to prescribed specifications at favorable, or, as they say, competitive prices and on schedule. This is a testimony of tremendous value to us, for it opens doors for further production and development. According to its president, General Ibrahim al-'Urabi, the AOI has exported \$60 million worth of products over 8 months, and it will be able to export hundreds of millions of dollars worth of goods each year in the near future.

A joint auto company operating in Egypt announced yesterday that it has also realized great accomplishments. Its 1988 output and profits were higher than those of 1987, even though its 1987 profits were 13.5 times greater than the previous year. Its stock dividend multiplied 13.5 times as well.

Through good management, linking wages to production by rewarding honest, hard and productive work, and by punishing negligence and carelessness, we can make advances in all areas of industry. It is not impossible, under a proper working climate and with systems that stimulate progress and a good management, to reach the same level Japan and Korea have reached.

While we are happy with this industrial progress, we are disturbed rather than pleased by a news item about the production of motorcycles in our country. This is a means of transportation that disturbs and bothers people. It ruins and contaminates their lives by polluting the air they breathe and generating a dreadful annoying noise. If this hellish machine has to be produced, the Ministry of Industry ought to protect our lives against the perils of pollution and the dreadful noise these motorcycles generate, especially when operated by perverts who put holes in their mufflers on purpose.

Columnist Depicts U.S. Support for Garang as Anti-Islam

45040386B Cairo AL-SHA'B in Arabic 13 Jun 89 p 12

[Editorial by Muhammad 'Abd-al-Qaddus in "Awlad al-Balad" [Sons of the Nation] Column: "The West Backs Communism!"]

[Text] The strangest thing I have read is a report that three American congressmen visited southern Sudan where they met with the leaders of the communist insurgency there! I also read that the leader of the Marxist movement, John Garang, visited West Germany and will soon visit the United States.

For a moment, such reports evoke great surprise, for the insurgency in Sudan does not conceal its communist orientation and the rebel leader there is known for his communist tendencies. Nonetheless, this leader enjoys strong and ardent support from the West! It was an

American, not a Soviet or Chinese delegation, that visited southern Sudan! And John Garang visited West, not East, Germany and is getting ready to visit America, not communist Cuba!

But this surprise over this strange and dubious support soon disappears when the real reason becomes known. The insurgency in southern Sudan has declared that one of its major goals is to prevent the application of the Islamic Shari'ah, which, by the way, applies only to Muslims and not Christians and to northern, not southern, Sudan. What this means is that the small number of insurgents there oppose the application of the Shari'ah in any way, even to Muslims! They want to eradicate any trace of the venerable Shari'ah in this fraternal country!

Notwithstanding this brazen goal, which is contrary even to the standards of western style democracy, where a minority cannot force its will on the majority, the fact that the insurgents in Sudan have declared a war against Islam was enough to win the support of the west, even though this is a communist and undemocratic movement. Uncle Sam and his colleagues and disciples harbor feelings of hatred against Islam and all is forgotten when it comes to waging a war against the Islamic Shari'ah. Therefore, it was not strange to find pro-west Kenya and communist Ethiopia uniting to render support and backing to the insurgency in southern Sudan. They are not brought together by interests, of course, but rather by odious bigotry and black hatred for Islam.

This reminds me of what is happening in my country, Egypt. We find all the various forces of conflicting orientations uniting together in a war against Islam and the devout: the far right and the far left, the proponents of openness and of the socialism of the sixties and the supporters of 'Abd-al-Nasir and of al-Sadat. "And God has full power and control over His affairs, but most among mankind know it not." [Koran, 12:21]

Commentator Sees Islamic Movement Radicals As Unrealistic

45040355b Cairo AKHIR SA'AH in Arabic
24 May 89 p 54

[Commentary by Hamid Sulayman]

[Excerpt] I agree completely with what Dr Mustafa al-Faqi brought up in his recent, important lecture on the effect of extremist groups on the course of the moderate Islamic movement. The enlightened Islamic movement suffers from strangulation, misunderstanding and a poor opinion due to the rash doctrinal ideas being advanced by extremist Islamic groups. These ideas, which are tied to a particular aspect of the complete Islamic concept, have confused both the friends and enemies of the enlightened Islamic movement, inasmuch as the extremist groups have become the loudest voice and clearest symbol in the arena, requiring Islamic movement leaders to direct their efforts primarily at unifying and guiding the thought of these groups, especially those which have

chosen unrest and extremism to convey their deficient thinking or impose their nation-destroying independent judgments unaware that they are damaging the contemporary Islamic cultural program, arousing numerous fears over it and creating enemies for it daily, whether in the security agencies or even among common Muslims and non-Muslims. To be fair, the activity of these groups is based on youths with good intentions, whose actions are nonetheless subject to narrow-minded, deficient thinking. However, when this "image" [Quotation marks as published] is applied, we are ultimately reminded of the bear who killed its owner. What difference is there between this image and...

The image of those youths who are ungrateful to Egypt's government and people, and who have called for the latter's withdrawal into a cave in preparation for preying on them!

The image of the critical Jihad Group, which did not distinguish between slayers of the enemies of the fatherland and the actual enemies of this fatherland.

The image of the group which believes that it is the only group offering "salvation from hell [al-najiyah min al-nar]," and that the destiny of the rest of God's creation is Hell!

The image of most of the youths in these groups, who believe that the greatest Islamic propaganda symbol is letting one's beard grow and entering the universities wearing galabias and veils. Thus, they cling to a resplendent appearance whose days are over, while ignoring another resplendent gem—knowledge, production, strength and excellence—with which the Muslims would be distinguished among the other peoples.

The image of those who were involved in clashes with some of our non-Muslim brothers in the country in the name of Islam, despite the fact that the Islamic cultural program is a non-sectarian program, in which Muslims are not favored over others and equal rights are affirmed for all. "Examine the first charter of the Islamic state in al-Madinah, in which Jews, Christians and Muslims lived together in peace."

The image of several of those groups who perceive the Islamic state as a religious state with a divine source of authority whose ruler, therefore, cannot be examined critically, monitored or deposed, because he derives his legitimacy from divine authority, and not from a human authority which elected him through an agreement which can be cancelled if he deviates from its stipulations for leadership.

The danger in all of these images and others is that they are being advanced by these groups and bands as convenient cards to play in the call to Islam, or for an Islamic state or a Muslim ruler, based on a so-called Islamic political program, whereas the Islamic program should be free of all of these images.

This Islamic cultural program being advanced by the enlightened Islamic movement rejects the so-called religious state controlled by clerics, because the Islamic legacy has never known clerics. However, it most certainly knows theologians who are expert in Islamic jurisprudence, Shari'ah or law, just as there are legal, medical and engineering experts.

The Islamic program is well aware of the difference between the divine source of laws and the divine source of authority. The divine source of laws has precepts regarding the Islamic state. These precepts distinguish between fixed laws governing man's conduct toward God and their theoretical basis (observance), and laws governing conduct between people, which change according to time and place, and their theoretical basis (innovation and independent judgement).

Likewise, the Islamic program rejects a sectarian state which protects only its ruling sect. An Islamic state includes people linked as brothers through religion, the fatherland and humanity on the basis of equal rights and duties. The Islamic heritage has always affirmed the existence of differences between the legacy of Islamic faith and the legacy of Islamic culture, to which Christians, Jews and non-Arabs have contributed.

Because the Islamic program rejects a ruler whose legitimacy derives its continuation from divine, tribal, sectarian or religious denominational authority, it holds that the Islamic state is a "secular state," [Quotation marks as published] in which the ruler derives his authority and the continuation of his authority from the degree to which he adheres to the clauses of the leadership contract between him and the nation which elected him in elections. The nation elects him and deposes him based on the degree of his adherence to the provisions of this contract.

Not only does Islam not recognize the religious or sectarian state, but it even laid the foundation for the modern secular state—Muslim and non-Muslim—14 centuries ago.

Where is the shining contemporary image in what these groups are offering us? Down which slope do they—with good or bad intentions—desire us to skid? Ages ago it was said that the road to Hell is paved with good intentions.

Journalist Accuses Legislators of Losing Touch With People

45040355a Cairo *AKHIR SA'AH* in Arabic
17 May 89 p 55

[Commentary by Faruq al-Tawil]

[Text] I believe—although I hope that I am mistaken—that Egypt's crisis is hidden in its intellectuals, led and epitomized by a distinguished, pre-eminent group of revered doctors and scholars in various branches of

knowledge. Half of them rule Egypt and the other half is devoted to stoning the first half with all manner of bricks, stones, gravel and soil whose type and meaning differ slightly or figuratively. There are legal, legitimate projectiles worse than gravel and bricks. Some call these projectiles professional ingenuity, learned virility, technocratic conceit, and extraordinary, learned, professorial, legal ability and intelligence. It has reached the point at which the entire Egyptian arena has become transformed into a playing field for contests between these scholarly titleholders who have forgotten the interests of the people, but remember their own differences, and employ their academic and cultural virility only to scatter and eliminate each other.

Come, let us ascertain who rules Egypt at present. Let us penetrate the National Democratic Party [NDP] or the opposition. Who governs the parties? Who has the loudest voice in them? They are a handful of intellectual doctors who have brought their academic differences and technocratic virility to the arena of politics and government.

For example, who would have imagined that the most famous legal, trade-unionist, popular dispute would continue for many years in the businessmen's union between a former prime minister and a former deputy prime minister? Who would have imagined that this dispute began between the two protagonists when they were both instructors? Their disagreement began in the 1960s, and grew with their positions through to the 1980s. Egypt paid the price of their differences, because both of them are in distinguished leadership positions. Thus the downtrodden citizen foots the bill for disagreements between these intellectuals who rule Egypt, and are ruled by their disputes with each other. Why?

Everything that we are currently experiencing—including the recent People's Assembly crisis, the courts' ruling to disband the former Assembly, the disbandment of the Consultative Council, the crises of the Lawyers' Union, Socialist Labor Party [SLP] and even the Soccer Federation, and talk about nullifying laws which have been issued or will be issued, to the point of nullifying the Personal Circumstances Law pertaining to marriage and divorce, which is to say that the geniuses' disagreements have reached our bedrooms—all of this can be attributed to a group of intellectual geniuses who are insensitive to the people's feelings and do not experience its problems. Rather, its major concern is to display its knowledge, erudition and culture, which is a political luxury for which we do not yet qualify, and which is precluded by the debts, problems and issues of life. However, this group of geniuses does not suffer any problems. It has leisure time in which to become expert at using democracy, the laws and freedom to attack democracy, so that the people become disgusted with democracy and divest themselves of it, unaware that that means summoning forth something other than democracy which is unknown to anyone.

These geniuses are becoming masters at reviling democracy. They are like the extremist groups which have done more harm than benefit to Islam. However, God protects the Ka'bah. Do the people protect democracy? Do they stop the abuses of the doctors, who have changed from being a group whose orbit is made up of cigars, caviar and Mercedes to launchers of anti-democracy bombs? On behalf of all downtrodden people, I say to these gentlemen: If democracy does not become food on the table, suitable housing for me, a place on the bus, and a bed in a hospital, I do not want it. You have transformed democracy into a burden with your chatter, discussions and magic games which have reached my bedroom. Thus, you have become more like doctors who open the patient's stomach, and then begin to display your respective muscles of erudition, cultural virility and academic degrees. Remember that democracy has become a substitute for slogan-bombs, and that allowing complete freedom to youths is what brought them to heroin. The tutelage of adults and responsibility are needed, not complete freedom or irresponsible democracy.

You have bastardized the doctorate degree in order to assault politics, the economy and everything—in its varying degrees—in the government realm in our country. Even party activity has become dominated by academic degrees. We have forgotten an important difference between politicians on one hand and scholars, academic degree holders, or highly erudite intellectuals on the other. What is the difference? Does politics require an academic degree, or does it require political competence? I maintain that a politician reads the people and studies human faces, whereas the other studies books, reads reference works in a closed place, and is ultimately a bookworm who prefers reading a report to reading a man and wandering about the city. He is an academician who researches what his predecessors did to solve a particular problem, using the past to remedy the present and outline the future. Politicians, on the other hand, read the present in the people's faces and in daily life, perceiving problems before they appear. They have living feelers which penetrate the psyches of the people; their arteries are open and pumping true feelings.

This does not mean that we should discard the doctors. Rather, we should define their role and limit their influence and privileges. This should be done for a number of reasons, the most important being to calm the other half of the doctors, who specialize in throwing dirt, sand, and gravel at the first half. We should try to reconcile the two parties, or establish a truce, peace agreement or a "Camp David" between intellectual parties to pacify their revolt against democracy and their attacks against it, which are motivated by the fact that they do not enjoy the privileges enjoyed by their counterparts.

The topic of privileges takes up more than a few words, for all of the abuses which we see are caused by the privileges enjoyed by those who have or wield power. The second group, on the other hand, believes that it is

better and more sincere than the first. It is no secret that whoever does not find a niche in the NDP, goes to the Wafd or SLP or to the Liberals. The important thing is that such a person is floating on the surface, ready to begin reviling or eroding democracy through his legal approaches, abundant knowledge, extensive experience and professional ingenuity. Unfortunately, this is what we are currently experiencing and paying the price for. We are paying the price of the disagreements of intellectuals from our own poor pockets, whereas they experience neither problems nor difficulties. All of the problems of their privileged lives consist of choices between a new or old Mercedes, Russian or American caviar and Cuban cigars or waterpipe tobacco. They live in another valley than ours. They are competing in contests of erudition and technique to affirm their lack of knowledge and understanding.

What have the intellectuals done? Have they benefitted or damaged us? Where are they leading us? How long will we pay for their disagreements? They are completely isolated from us and can only say "whoever does not find bread, let him eat cake." [Quotation marks as published] We are not the protectors of the sanctuary of democracy, and democracy is not an idol which we celebrate. However, we want to live and enjoy our lives. We want those intellectuals to forget their disagreements, to grasp the true nature of the crisis which we are experiencing, and to employ their academic degrees to solve the problems of the masses, who have reached the point of complaining about everything. Pay the people to work, not strike. Provide the workers with incentives to increase production. Do not harass them in the name of the law.

Ultimately, the law is a broad canvas. It contains articles and stipulations to satisfy all parties. As legal experts themselves say, if 10 reasons exist for a guilty verdict, 9 others exist to acquit. However, the spirit of the public interest must prevail; the interests of the downtrodden are more important than political comfort. We are certain of the greatness and genius of legal experts and of the fairness of the judges. We hope that they will not drink of the partisan cup. We dream of the democracy of work, freedom of production and the minimum demands of those who sweat. We are facing a law filled with holes. We do not need a genius to find the holes in laws for us. There are more important problems, and I challenge anyone who addresses these rulings to inquire on the street whether anyone cares about the issue of Wafdist or NDP deputies, or even how many there are. The people are what is important. Is the citizen concerned about the gossip at the faculty club or the stories and tales of lawyers? Where are you, what do you want from us, where are you going? Return to integrity in your conduct. Is there nowhere among you a rightly guided man?

Columnist Appeals to Muslims To Oppose Attacks on al-Aqsa Mosque

45040323B Cairo AL-NUR in Arabic 21 Apr 89 p 9

[Commentary by Salah 'Azzam: "Al-Aqsa Mosque and the Wrath of God!"]

[Text] The newspapers of the past week speak of nothing but the attack against the al-Aqsa Mosque and the worshippers in it. The Arabic newspapers of the past week in Egypt and elsewhere exposed this grave event, and made it their main headline on some days. What we know about it is that the matter brought barbarity to the point that going to pray in the al-Aqsa Mosque, the first of the two qiblahs, one of the three mosques to which the traveller is drawn, has come to require an identity card.

Oh God!

Has debasement brought us so low that we carry on without reacting? I have followed even the news of the aggression against the al-Aqsa Mosque, looking for any commentary, article, or column, by any writer in any Islamic country, condemning this behavior or calling for the taking of a position, but most unfortunately, I found nothing. It was as if the matter did not concern us, as if no hair were turned on the head of an official or thinker, or of those who attack Israel for other things.

If that is the position of the writers and thinkers—and woe to us because of them—then what about the religious scholars and the local and international religious establishments, and others among the orientalist? Why are they silent and turn their backs on this distressing news as if it did not concern them either?

O people, if a church or a house of worship anywhere in the world were attacked, the world would have been rocked.

If a single attack were to occur against a person belonging to some faith, the newspapers and thinkers of the world would have been moved on his behalf, spurred on by the supporters of the one who had been attacked. As for us, the sons of the 1.2 billion Muslims spread throughout the world, when the first of the two qiblahs and the worshippers in the al-Aqsa Mosque are attacked, the world does not become inflamed with anger, let alone fire.

Oh God, there is no power and no strength save in God.

Oh Muslims of the world, if you do not become angry for God, for whom will you become angry?

So bestir yourselves, because I fear that the wrath of God will encompass you.

IRAQ

Rocket, Poison Gas Production Project Described

44000571 London THE MIDDLE EAST
in English Jun 89 p 21

[Article by Alan George: "Saddam's Secret Weapons"]

[Text] With assistance from European companies, Iraq is nearing completion of a secret project, codenamed DOT, to establish a series of rocket and poison gas test and

production facilities. The scheme is thought to be linked to the development of the condor-2 ballistic missile on which Baghdad has been working in collaboration with Argentina and Egypt.

The two-stage, solid fuel missile, to have a range of 1,000km and a payload of 500kg, is the successor to the Condor-1, a weather rocket developed by Argentina in the late 1970s with assistance from West German aerospace company Messerschmidt-Bolkow-Blohm (MBB).

As reported by THE MIDDLE EAST in March, a central role in Condor-2's development was played by a group of small Swiss companies, headed by Zug-based Consen, in which former MBB engineers played key roles. In 1984 the Egyptian defence ministry contracted one of these firms, Ifat Corporation, to work on Condor-2.

The Austrian weekly PROFIL recently disclosed that in 1986 an Ifat representative approached a Vienna engineering consultancy, Consultco, with a proposal for a project in Iraq known as DOT. Working closely on the project with Ifat was another Austrian consultancy, Feneberg GmbH of Graz. Feneberg had been involved with similar schemes in both Egypt and Argentina, and the Ifat representative told Consultco that DOT was similar to projects already under way in those two countries. The Iraqi client for DOT was the State Organisation for Technical Industries (SOTI), which plays a central part in Iraq's military construction programme.

Consultco, together with a German construction company, Zublin, and two other Austrian firms, the local subsidiary of electrical engineers BBC Brown Boveri and air conditioning specialists Bacon, submitted an offer for the work. Their price, however, was too high. Accordingly, said PROFIL, SOTI decided to go ahead with DOT using Iraqi firms and thousands of specially recruited Pakistani workers. Construction supervision, however, was by Feneberg.

DOT has three parts, designated DO1, DO2 and DO3. Located within an existing military-industrial complex 50km south of Baghdad near al-Hillah, DO1 is a chemical weapons centre. DO2 is a complex of engineering workshops sited near the city of al-Fallujah. It is close to a Yugoslavian-built artillery and ammunition factory known as Saad 5. DO3 is a rocket test range, located some 95km south of Baghdad near Karbala. According to PROFIL, Feneberg completed its work in March, suggesting that the three DO projects are virtually complete.

Consultco, the object of the initial approach from Ifat, was already heavily involved in Iraq's military programme, acting as project manager for another scheme, Saad 16, near the northern city of al-Mawsil. Also known as the Research and Development Centre, Saad 16 is a laboratory complex with units for chemical weapons, wind tunnels and rocket motor test ramps. The main

contractor is the West German company Gildemeister Projecta while the equipment supply contract is held by the MBB subsidiary Transtechnika.

Media revelations about Saad 16 prompted the West Germany authorities to launch an investigation in late March to establish whether Transtechnika and Gildemeister Projecta violated the country's stringent arms export regulations. The nature and origin of the equipment for the DO facilities remain a mystery, although PROFIL said that it was transferred to Iraq from Egypt. There is no evidence that MBB or its subsidiaries were involved, although the West German firm has had dealings with Cairo in recent years.

Transtechnika, in conjunction with Consen, made three deliveries of laboratory equipment, of which the last was sent in December 1988. Earlier, the Ifat Corporation requested MBB to assist in an Egyptian project, designated RS120, to develop a missile with a range of 120km. Realising that their involvement in RS120 might breach German export regulations, however, MBB agreed to undertake only part of the work, and to leave the balance to the Italian company SNIA, a Fiat subsidiary.

West Germany's Foreign Trade Ministry had approved MBB's arrangement with SNIA, but in December 1987 the German security authorities advised MBB to discontinue the RS120 negotiations. At the same time, MBB's Washington office learned that the company might be blacklisted in the U.S. unless it dropped the project. The consequences for MBB would have been dire, and the company withdrew from RS120 without hesitation.

ISRAEL

Shamir Battles With Sharon, Levy, Moda'i
44230120 Tel Aviv YEDI'OT AHARONOT Weekend Supplement in Hebrew 2 Jun 89 p 6

[Article by Bina Barzel: "The Threat to Shamir's Leadership"]

[Text] "Well then, there will be a battle!" Yitzhaq Shamir concluded this week after a talk in which he tried to convince Minister David Levy to support his political plan. Despite Shamir's efforts, Levy announced that he does not intend to budge from his opposition to the plan and that he will continue his endeavors to ensure that the Likud rejects it.

On the other hand, the two managed to reach agreement on convening a meeting of the central committee; the precise date and the agenda of the meeting will be decided accordingly by the Likud leadership.

Shamir is fighting his battles himself. As before every electoral campaign, he has already begun to talk personally to central committee members throughout the country. "The prime minister wants to talk to you," one of his

aides will say on the telephone, connected to some place in the Galilee, for example. After a few polite words of introduction, Shamir focuses on explaining the need to support his political plan. The listener cannot help being impressed with the importance of the political discussion that the prime minister of the State of Israel is conducting with him.

As of this week, Shamir will daily receive in his office a large group of central committee members to whom he will explain his position. "Look at what I have to deal with," he complained to his aides, "instead of devoting the time wasted on internal debates to the vital issues facing Israel."

Nevertheless, he continues to do his job like a trooper, as he puts it, in the propaganda campaign, as dictated by his staff managers, Michael Deqel and Shmu'el Selvin.

On this point, namely on the point of carrying the battle into the field and remaining steadfast on course to the target, there is a similarity between Shamir and Sharon. Sharon is aware of how charmed Likud members are to be invited to his home and to enjoy his personal attention.

Sharon's tactics to gain supporters are legendary among Likud. He will go to an apartment house in a development town and will knock on every door looking for "my friend Shlomo, who lives in this building." By the time he finally comes to the apartment of "Shlomo," accompanied by all the building residents—excited by the honor done to their modest abode and to their neighbor by the minister—he finds Shlomo in the doorway, a faithful fan.

By the way, Shamir refuses to view Sharon as a serious political opponent. He insists on the status difference. For example, this week when the television wanted to feature Shamir in a program about Sharon's struggle, Shamir's office refused to cooperate.

Shamir will also make it clear who the boss is when he will convene the central committee on a date other than the one that Sharon categorically set. However, the feeling that took shape this week is that the struggle for the leadership will pass over Shamir and will flare up only after he will have left.

In the beginning, when Sharon opposed Shamir's initiative as soon as it was presented in Washington, Shamir's office was untroubled: "Where is Sharon, and where is Shamir," one of his close associates said. The office, like the party itself, firmly felt that Shamir had finally turned into the undisputed leader of the Likud.

However, it later emerged that despite the assured support of 18 Likud ministers, Shamir was not in a position to ignore Sharon's opposition, who in this matter had linked up with Moda'i and Levy. Moda'i called for

Shamir's resignation. Sharon and Levy stressed the ideological dispute. There is no doubt that the attempt to twist Shamir's arm regarding the peace initiative, which is an ideological matter, has also become a threat to his leadership: if Shamir does not win the confidence of his party's decisionmaking body, his status will be affected accordingly.

Sources close to him this week stated that Shamir will go to the president and that the latter will entrust Peres with the government. His opponents stated that Shamir was offering "empty threats." His "children," as Shamir's princes are known, will not allow him to abandon them.

When this week Shamir's associates were informed that agreement had allegedly been reached between Sharon and Levy about how to divide the government after Shamir's defeat, and that Sharon will support Levy's candidacy for the prime minister's seat, that news jibed with the assessment of Shamir's camp that Sharon was "putting 101 percent of his efforts into bringing down the coalition cabinet."

Shamir does not feel any obligation toward Moda'i, a little more toward Sharon, and still more toward Levy.

Moda'i is the bridge between Sharon and Levy. Sharon and Levy strive toward the same goal: to take over the leadership of the party and the country after the Shamir era. They do not like each other, do not trust each other, and it seems that neither has much respect for the other, to say the least.

They were able to coordinate their opposition to the political plan thanks to Moda'i's friendship with each one separately.

Sharon and Moda'i have been friends since the War of Independence. Levy and Moda'i became friends during the lengthy negotiations on the Likud agreement.

It is reasonable to assume that the fact that neither of the three has the job and the status they wanted is contributing to cementing their connection. Moda'i, who at the time was displaced from the position of finance minister by Shim'on Peres, was disappointed when Shamir did not correct that injustice in his new cabinet. As one of Begin's partners in the Likud leadership, he believes himself worthy of more important jobs than his present ones. Moda'i also bears a grudge against Shamir for cultivating his political rivals in the party, Ministers Pat and Nissim.

Moda'i's relationship with Shamir further deteriorated and was in fact broken off 2 months ago when the two discontinued their weekly meetings on Wednesdays.

Levy, who supported Shamir and the national unity government, resented the fact that Shamir did not appoint Ely Ben-Elisar, one of the members of his camp, to a ministry, as well as the disintegration of the title of

deputy prime minister which was bestowed on himself. But perhaps more than anything else, he resents the closeness between Shamir and his rival Moshe Arens. The latter won the foreign ministry portfolio that Levy coveted, and is one of the few ministers who had preliminary knowledge of the political plan. People in Levy's camp believe that the character assassination campaign that is consistently being waged against him in the party, the jokes, the contempt, and the insults originate in Arens camp.

He has been restraining himself since the formation of the government. But now the moment of truth has arrived. Levy is the one who imparted weight to the opposition against the political plan, despite the fact that several of his senior associates, such as Robby Rivlin, supported it.

Sharon is striving for the Defense Ministry. He is convinced that in a narrow cabinet he would have been sitting on Rabin's seat, and that he would have known how to deal with the intifadah [uprising]. Sharon believes that he has no chance of advancing toward his goal in Shamir's cabinet. His chances will diminish even more once the princes, starting with Benny Begin and Dan Meridor, solidify their position.

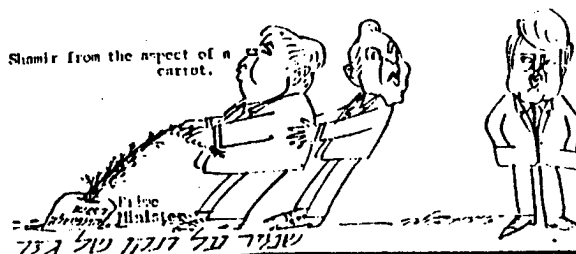
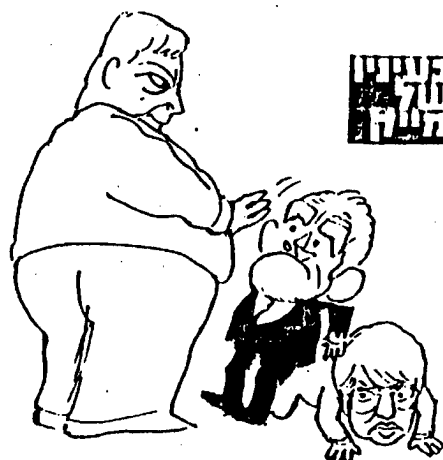
On Sunday after the cabinet meeting, Moda'i asked Sharon over to his office for a talk. He extended the same invitation to Levy.

The tripartite meeting turned the threat to the plan into a threat to Shamir's leadership, and even more so to the positions of many of the leaders of his camp.

One of Shamir's people said to me: "Everyone knows that if Sharon rises to the party's leadership, Meridor, Begin, and many others will leave." The same person hastened to assure me that such a possibility was not realistic because of the present rivalry. However, he, too, was reminded of the trite saying that "Everyone knows where he is when he enters a political battle, but not where he will be at the end."

It would appear that in the first round as a result of Sharon-Levy-Moda'i cooperation they managed to come out on top in arm-wrestling Shamir: they forced him to agree to convening the central committee in the near future. However, Levy recognized Shamir's right to decide the date and agenda of the meeting, and refrained from joining the argumentative tone that Shamir beamed on Monday from Brussels, when he categorically stated that the committee will be convened in June this year.

Shamir is fighting this political battle "with one hand tied behind his back" because of the need to preserve the consensus with Rabin, while his second hand is tied by the Americans. Had he been free to choose, he would not have convened the thousands of Likud center members very soon. Even if the plan is not defeated, in order to



1. Tel Aviv YEDI'OT AHARONOT in Hebrew 2 Jun 89 p 16B
2. Tel Aviv YEDI'OT AHARONOT in Hebrew 29 May 89 p 19
3. Tel Aviv YEDI'OT AHARONOT in Hebrew 12 May 89 p 15

defend it he will have to say things that will limit his freedom to maneuver. This is clear in view of the differences in statements he was compelled to make at the party meeting, as opposed to his statements at the cabinet meeting at which the plan was approved.

And how will the central committee vote?

First and foremost, the vote will be influenced by the events of the intifadah. More than anything else, the fear of the dangers of the political initiative is reinforced by the Likud's frustration with ending the intifadah, which was almost the first item on the Likud's platform in the previous elections.

This frustration is accompanied by anger against Rabin, who serves under Shamir's umbrella. A serious occurrence in Jerusalem the day before the meeting is liable to bring a motion against the program.

Another influencing factor is each Likud member's fears of the dangers inherent in the plan. Even convinced Shamir supporters like Knesset Members Eytan or Landau increasingly fear for loyalty to Shamir, and they will vote against the plan if no decisions are adopted to clarify the points that were left vague in order to preserve the consensus with the Alignment.

There is a great gap between the manner in which each of the sides assesses its strength. Moda'i's liberal opponents, for example, claim that he has almost no partners in his opposition, since liberals by nature support peace initiatives and were the first to give their support to Begin at the time. In general, they add, Moda'i no longer counts. His cooperation with former minister Sarir was cancelled out.

Even if those among his friends, who claim that Shamir himself would like to see the plan disappear, are right, he would prefer that the Likud not be held responsible for it.

In any event, what Shamir now needs more than anything else is room for political maneuvering. A restraining or conditional decision by the central committee, or even his own oral obligation in the wake of the meeting may restrict or even eliminate his freedom to maneuver.

Strategies in Dealing With Intifadah Leaders Examined

44230097 Tel Aviv MA'ARIV in Hebrew 5 May 89 p 2B

[Article by Avino'am Bar-Yosef]

[Text] It was 2 months ago that Sim'an Khuri went in his car to pick up his daughters from school, just as he does every Friday. It was early afternoon, but the stores in East Jerusalem were already closed by order of the "uprising command."

A police patrol following him did not arouse his attention. When they signaled him to stop, he pulled out his press credentials and hoped that the check would end quickly after it became clear to the policemen that he was an employee of the French news agency. This was not the first time that he had been arrested. He was recently released from continuous administrative detention on suspicion of being a central activist in the Democratic Front.

Only several days before, supporters of Nayif Hawatimah in the territories added Khuri, upon his release, to a representation established by Faysal al-Husayni to hold discussions with Israeli elements. Two days before that, Khuri, along with FATAH [Palestine Liberation Movement] and Communist Party representatives, met with Yosy Bielin, the deputy finance minister, Nimrod Novik, a political adviser to Shim'on Peres, and Dr Efrayim Sneh, the former head of the civilian administration. The meeting took place at the Notre Dame Hotel on the seam separating East and West Jerusalem.

The meeting and the establishment of the representation were reported in the press. The transition to political activity, Khuri thought, would grant him a certain immunity.

The arrest order, which was signed by Defense Minister Yitzhaq Rabin and presented to Khuri in the Russian Compound [police headquarters], surprised Khuri, but also calmed him somewhat. He thought that this was again a matter of anonymous information which could not be used against him in court on account of protection of sources.

Immediately, nationalistic Palestinian elements, headed by Faysal al-Husayni and the head of the Union of Arab Journalists, Radwan Abu-'Ayyash, attacked the security arms and Minister Rabin on the grounds that they were attempting to destroy any Palestinian leadership in the territories.

"How is it possible to hold discussions when less than two days after them one of their participants is arrested?" asked al-Husayni, who appealed to his Israeli discussion partners to make efforts to release the journalist. The Israelis checked into the matter and refused to intervene.

It became clear that the arrest of Sim'an Khuri was not coincidental. That same week, another three central Palestinian activists were arrested: Hasan 'Abd-al-Rabu, from the Dehayshah Refugee Camp, who is identified with FATAH supporters; 'Adnan Shalaldah, identified with supporters of the Popular Front for the Liberation of Palestine; and Tahir Shaludy, a representative of the Palestinian Communist Party.

Only a few East Jerusalem activists knew to connect the names. In doing so, they understood that the security services had succeeded in apprehending the group comprising "the uprising command" in the territories at that time.

This is not the first time that the leaflet composers, who call themselves "the uprising command," have been uncovered by the security arms.

In the same time frame, Minister of Industry and Commerce Ari'el Sharon, in a statement to the press, stated that the security arms reported, in a cabinet meeting,

that they have a list of 43 Palestinian leaders from East Jerusalem who comprise the hard core of the uprising, and the government is prevented from arresting them because of the limitations of the law which is in effect in the capital.

Palestinian public figures in the territories connected events to Sharon's statement, following which they feared that additional arrests were delayed only because the prime minister left for a visit to the United States during the same period. In their opinion, Shamir feared that measures taken against political figures in the territories would embarrass him during discussions with leaders of the administration.

The picture became clearer this week with the lodging of indictments against the four suspected of belonging to the "uprising command" at the military court in Lod.

The indictment against Hasan 'Abd-al-Rabu provides an unprecedented glimpse of behind-the-scenes activity in the Palestinian struggle.

The defendant was employed as a journalist on the editorial board of the weekly AL-'AWDAH and is suspected among other things of membership in FATAH. It emerges from the indictment that the leaders of the uprising kept their eyes on the office used by the magazine, which supports the political line of FATAH.

The editorial board is located in the heart of East Jerusalem, in a modest office building on Salah al-Din Street. The building's entrance is on a quiet alley across from the Abu-'Ali restaurant, known for its hummus—the real thing—and stuffed vegetables. Many Israelis used to frequent this popular restaurant, until the intifadah [uprising] broke out, unaware that they were sitting in a center of Palestinian nationalism.

In March of last year, as stated in the indictment, Zuhayr 'Abd-al-Hadi (one of FATAH's central activists in the territories) suggested to 'Abd-al-Rabu that the latter be a liaison between him and Abu-Tariq, a FATAH representative in France. They agreed that Abu-Tariq would transfer to the defendant information regarding the intifadah via facsimile. This information would be delivered to 'Abd-al-Hadi, who would transmit it to the "uprising command" for inclusion in intifadah leaflets.

It also emerged from the indictment that after about 9 months, during which the arrangement functioned without hitches, Zuhayr 'Abd al-Hadi brought Hasan 'Abd-al-Rabu to a meeting with the head of the Union of Arab Journalists, Radwan Abu-'Ayyash, to propose that he replace the latter in the "uprising command."

In East Jerusalem, Radwan Abu-'Ayyash is considered a central personality among Fatah supporters in the territories. As the member of a refugee family from Jamusin north of Tel Aviv, who grew up in the 'Askar Refugee Camp, he is also considered a leader with "healthy

roots." The period of administrative detention enhanced his respect and credibility, although he has never been suspected of operational or terrorist activity.

After working for a while as an English teacher in Ramallah, Abu-'Ayyash made a career switch to journalism. The Union of Arab Journalists, which he heads (which recently gained notoriety because of the press credentials which it issues to foreign media representatives to protect them against attack in the territories), is actually an Israeli body registered at the Interior Ministry according to law.

In 1979, the Arab journalists, most of whom were employed by the Israeli media, established a union to protect their professional interests. The editor of the daily AL-SHA'B, Akram Haniyah (who was deported and appointed as an advisor to 'Arafat for affairs of the territories), understood the raw potential in the new body and suggested to his press colleagues in East Jerusalem and the territories that they join it.

After a year, democratic elections were held and the union fell into the hands of Fatah supporters in the territories.

Radwan Abu-'Ayyash strongly denies the activities imputed to him in the indictment of Hasan 'Abd-Rabu: "I never joined what is called the leadership of the intifadah. It is only natural that I meet journalists, and in conversations, political subjects also come up. What did he understand, what is this 'Abd-al-Rabu, it is not my affair."

Radwan is not the only one to hasten to disassociate himself from al-Rabu. Two other political activists in the representation established by Faysal Husayni stated in an interview with MA'ARIV that al-Rabu is apparently somewhat "insane" if he did indeed say what he said. As a matter of fact, they stated, neither do the security services treat him seriously, because, if they did, the people mentioned in his testimony would still not be uninvestigated.

Nonetheless, the indictment is clear on certain matters. It is evident that 'Abd-al-Rabu accepted the proposal. Around 20 December 1988, the first meeting occurred between the defendant and Sim'an Khuri, 'Adnan Shalaladah and Tariq Shaludy, representatives of other organizations composing the PLO component in the "Unified National Command."

In this meeting, and in others which followed, leaflets 32, 33, and 34 were formulated, which called for: Attacking IDF soldiers, settlers and those who collaborate with the authorities; throwing gasoline bombs at Israeli vehicles; not paying taxes; staging illegal demonstrations and mass strikes; and attempting to destroy the government in the state of Israel, Jerusalem and the territories.

It is suspected that each of the representatives of the organizations arrived at the meeting with the draft of a leaflet, part of which was composed according to the demands of representatives of his organization abroad. They agreed on a unified text, and printed four copies of it which were conveyed to liaison people who took care of duplication and dissemination.

It is also evident that the four suspects are accused of discussing in their meetings the apportionment of \$1.5 million which arrived from Jordan to support different organizations. They are also accused of discussing a request to receive an additional \$5 million to finance the activity of the "uprising command."

It turns out that the money which arrived was divided as follows: \$500,000 was transferred to FATAH, \$600,000 went to the Popular Front, \$380,000 was received by the Democratic Front, and the Communist Party contented itself with \$20,000.

The following was also discussed at the meetings, which were held at the homes of Khuri and Shaludy and at the Union of Arab Journalists: The establishment of a political leadership which would include 15 representatives from the different organizations, the establishment of a committee to distribute money, the division of the territories into 10 subregions for the purpose of establishing regional commands, and coordination with Hamas (the fundamentalist Islamic resistance movement).

The charge sheets of the four suspects contain the names of additional liaison people, and they deal with the mod operandi and details of the involved organizations.

Prima facie, the question arises, why was no one investigated as part of the continued uncovering of members of the command. Senior Palestinian elements think that perhaps it is convenient for the authorities to closely monitor the activity of the known leadership and not have matters become complicated by the establishment of a new, unknown body.

Nonetheless, they do not discount the possibility that there would be no one with whom to discuss Shamir's plan if they were arrested. They also state that Rabin's statement, to the effect that he would harden his policy if the elections plan is rejected, could be intended to pressure them by exploiting their awareness of information in the hands of security elements.

It is impossible to ignore the premise that there is also a third possibility in the existing political situation, in which responsibility for East Jerusalem is not absolutely clear: Negligence.

Elements in the government, who are currently industriously crystallizing the details of Mr Shamir's plan, and security elements, did not give a clear response.

The media advisor of the defense minister, Eytan Hever, stated that security elements are operating according to purely professional considerations, and that there is no directive to abstain from arrests.

Nevertheless, all parties agree that even if the hard core of the "uprising leadership" were to be arrested, the intifadah would not cease, and that it should be assumed that in the weeks following the arrest of 'Abd-al-Rabu, the appropriate preparations are being undertaken in East Jerusalem and the territories.

Settlers and Arabs Clash in Hebron

44230111 Tel Aviv HADASHOT Weekend Supplement
in Hebrew 19 May 89 p 12

[Article by Oren Cohen]

[Text] On Tuesday evening, clashes between settlers and Arab residents reached their peak. Tens of Israeli cars were hit by rocks, and residents of Qiryat Arba' went out en masse on a foray to attack property and to fire in the air, or wherever it would cause damage. The IDF [Israel Defense Forces] again found itself in the middle. Hebron is the only Arab city in the territories with a Jewish settlement adjacent to and within it. It remained quiet until less than 2 months ago, when members of Hamas [Islamic Resistance Movement] began to become involved. On the other side, the existence of a hard core of KAKH [Meir Kahane Party] members makes for a volatile situation. "What would happen to the settlers if the army withdraws from here and leaves them alone," a young resident of Hebron smilingly reflects.

For a long time, Hebron remained outside the game. In the first 2 months of the intifadah [uprising], Gaza Strip residents came to Hebron loaded with loaves of bread for Hebron's merchants. They attempted to convince them to join the commercial strike being staged in all areas of the West Bank and the strip. "If you are hungry for bread, take for yourselves—just close your stores," the Gazans said. Residents of Hebron who travelled to Ramallah were beaten, and it is related in Hebron that they were also beaten in Amman by Palestinians, because they were not taking an active part in the intifadah. Residents of the neighboring villages of Bani Na'im, Sa'ir, Shuyukh, Idna, and Dura derided the residents of the city, until in April 1989, during the fast of Ramadan, a year and 4 months after it began, the intifadah reached Hebron.

Hebron is the only city in the territories with an active Jewish settlement aspiring to expand located in its heart. This historical friction between Jews and Arabs has caused the mutual shedding of blood, including the massacre at Beit Hadassah, the massacre at the Islamic college, the murder of yeshiva students by fanatic Muslims, many stabbing incidents, the killing of Arab residents by the gunfire of settlers and not long ago, the murder of a Hebron notable by Rabbi Levinger, the leader of the Jewish settlement in Hebron.

The hard core of the KAKH movement living in Hebron was a factor in the delay of the breakout of the intifadah in the city, but was also ultimately a reason for the religious-nationalistic outburst on the part of both sides. "We Hebronites are known for being slow and quiet," said an elderly Hebronite this week, who is known to be involved in events, "but when we erupt, we are in unison. Do not forget who led the events against Jews in 1929."

Hebron is an old, strong religious center. There are about 180 mosques in the city and in neighboring villages, in addition to the Cave of Machpelah, holy to Muslims and Jews alike and a source of friction. The IDF is tasked with maintaining the status quo here. "Levinger's wife frequently sits on the floor of the cave, refusing to leave at the end of the Jews' prayers," an Arab resident relates, [telling us] secrets of the cave. "She sits and curses us." On Purim this year, Jews beat Arab worshippers from Hebron who were trying to come to prayers at the cave. IDF soldiers then protected the Arab worshippers. Nonetheless, the city's Arab residents do not distinguish between settlers and the army. If you are willing to listen, they will tell adventure stories about "acts of revenge" involving attacks against Arabs and their property, which the settlers undertook with the protection of the army or the Border Police. From the lattices of the mosque minaret, the army and the settlers appear as one, and it is clear to Hebron's Arabs precisely whom the army is protecting in the territories. There are also settlers who are willing to say that sometimes it is possible to find, here and there, reserve soldiers or Border Police personnel who close their eyes to settler activity provided that "it does not go overboard."

In order to capture the spirit of Hebron, which of course dreams of Palestinian independence and peace, one must listen to that same aforementioned young resident of Hebron who is sitting among his friends in an alcove in Hebron's old city, where food is being prepared for a restaurant off to the side: "What would happen to the settlers if the army withdraws from here and leaves them alone?" he asks me while casting a penetrating, meaningful glance and smiling toward his friends. "What would happen if the army pulls out and leaves them without arms? If the army were to leave them with arms, do you think that would stop us? If 100 armed settlers remain here, 100 of our unarmed people could kill them," he says gleefully. "The only thing which the government can do is to remove them from Hebron."

"What are Jews doing to us here? Even if you are quiet they make you nervous," says Na'im Da'na, the father of Nadir, 14 and 1/2, who was shot to death on 28 April by what is suspected to be the pistol of Hayim Ben-Lulu of Qiryat Arba'. "Everything causes me to be against them. They are killing us, arresting our children and beating them. I see my son beaten, and I see my son killed; I cannot prevent this. This burns me up. I want to get up and do something."

"We have yet to act," says one of his consolers. "Our custom is blood revenge. We know exactly who they are and where they live. We know Ben-Lulu, the contractor from Qiryat Arba', who is always passing through here in his Peugeot pickup truck. We also know Levinger and Gershon Bar-Kokhba', who killed 'Awwad 'Amru. We know that he lives in Beit Romeno and how he appears. We will not complain to the court or to the police. We complain only to God."

God is working overtime in Hebron. On one side are Rabbi Kahane's supporters, who are waiting for a major conflagration to break out. On the other side are the supporters of Hamas, the most influential Palestinian organization in the Hebron area. Every evening during the month of Ramadan, hundreds of worshippers congregate in the many mosques to listen to the sermons of Hamas activists. The people are infected with religious fervor, and the leaders have decided to prove that they can succeed where the intifadah leadership has failed. Many slogans supporting Hamas are written on the walls of houses, and Palestinian flags bearing the election slogan "there is no God but Allah" wave on power lines.

The success of Hamas leaders was aided by rumors of mosque desecrations in Gaza at the start of Ramadan, the bloody incident in Nahalin, and the activity of settlers who decided to heat up the atmosphere on account of the indictment against Rabbi Levinger, and because of their abhorrence of the war of stones and bottles. KAKH members attempted to incite the Jews and bring them out onto the streets. Recently, the security forces arrested three KAKH members who came from outside the area to organize residents in Qiryat Arba'.

The city of Hebron has therefore passed into a life of misery. Mutual attacks are now commonplace between Jews and Arabs along the highway from Jerusalem to Qiryat Arba' via the glassmakers' junction, and from Qiryat Arba' to the Jewish settlement in Hebron, on the highway passing through the al-Shaykh neighborhood. The Arab houses adjacent to the fence around Qiryat Arba', from east to south—including of course the enormous, magnificent Hasan Ibn-Walid Mosque, which is being built only tens of meters from the fence around Qiryat Arba'—have become a confrontation line. This week, vineyards adjacent to the glassmakers' junction were damaged, and the KAKH movement took responsibility for the act. The IDF is in the middle. Usually, actions begin after stones are thrown at Israeli vehicles, or after a provocation by KAKH members. A vehicle with loudspeakers passes along the outskirts of the town, calling on residents to come out. The Arabs claim that the vehicle is the town's security vehicle. Residents from Qiryat Arba' begin to come down to the highway, and the IDF, summoned to stop them, blocks the roads and is sometimes confronted by settlers.

From the adjacent mosques, Arab residents are called to defend themselves and the sanctity of Islam. The Arabs move into the streets and throw stones at IDF soldiers,

who of course enter into a confrontation with them. The many security gates set up along the fence around Qiryat Arba' enable some to reach the Arab houses, whereupon clashes break out between Arabs and Jews, which the soldiers try to break up.

On the night on which an attempt was made to set fire to the Hasan Ibn-Walid Mosque there was no need to summon the Arab residents with loudspeakers. According to testimonies, the fire which burned the huge scaffold was seen kilometers away. The Army subsequently attempted to diminish the incident's seriousness by maintaining that the arson attempt was not targeted against the mosque, but against the scaffolding attached to it, which seems absurd given the size of the scaffolding, which was completely burned. The mosque, which is still under construction, is filled with wooden scaffolding supporting its walls, roof, and the dome erected on it. The Arabs relate that they received a threat from Qiryat Arba' residents, who said that the mosque's minaret would be blown up if it was built.

In addition to the arson attempt against the mosque, one clearly sees signs of fire on the walls of Abu-Saninah's house adjacent to Qiryat Arba'. The house of Abu-Muza and the house of the Natshah family were also burned, and the group of houses of the Da'na family, which borders Qiryat Arba' from the south, suffers in particular from its proximity to Qiryat Arba'. Broken glass and stones are inside the houses. A huge pile of several hundred empty boxes went up in flames on the roof of one of the houses, and garbage carts were emptied into the courtyard near the highway. Solar energy panels were shattered and one of the solar water heaters was thrown from the roof into the garden. The television antenna lays on its side. A pile of construction boards went up in flames; among the coals are the remnants of a bicycle taken, according to residents of the house, from the balcony and thrown into the fire.

One of the burning construction boards was inserted through a window pane into a bedroom. The glass was shattered and the curtains went up in flames. "It was only by luck that they did not kill the children. See where the stones struck. We have still not moved them," states the father. While the damage was being photographed, a female resident of Qiryat Arba' shouted: "Come on up and I will give you a photograph of the fire when we set it. I have pictures of everything." She later pulled out a camera with a telescopic lens, and photographed me as I was photographing the damage.

Arab residents can customarily be seen congregating at the entrance of the military administration building in Hebron to request protection from settlers. "It is like this the entire night," relates a resident of the neighborhood. "Before they leave Qiryat Arba', or on the way, they call to us with loudspeakers: 'Bastards, we want to kill all the Arabs. We will burn the mosque. Hurry, leave your homes. Muhammad is dead, Abu-Jihad is dead, and now

it is 'Arafat's turn.' Afterwards, they come down, beat, and burn. They are followed by the army, which arrests the people whom they beat."

"All of them—the military governor, the Border Police—know what is happening," states the father of Nadir Da'na, who was killed. "After Ben-Lulu killed my son, the army came here and arrested my other son. It did not help at all when we tried to explain that he is the brother of the person who was killed. They finally agreed to release him, and I was required to pay a 200-shekel fine so that they would allow him to go. What do they do to a settler who kills an Arab? Today he kills my son, and tomorrow I see him praying at the Cave of Machpelah. I do not understand why a human being kills. There are seven or eight eye-witnesses ready to relate how he simply fired, and later they release him."

"He shot him, and he goes free in the street. He later fled with his car. If they had not taken down his license number, the police would have said that he could not be apprehended," relates one of the mourners. "But we know them. Once I complained about a settler and they took me to the police station in the administration building. There, they showed me photographs of settlers in an album. All of them are criminals with photographs at the police station." The father suddenly loses his patience: "All you can say is 'that is the way it is.' The Jews know, everyone knows, the military governor also knows. It is all just words. By God, be quiet, stop. We will become as accustomed to killing someone as to drinking water."

[Box, p 12] Incidents

Spring 1980: Yeshiva student Yehoshu' Sloma is murdered in the casbah by a shot fired from short range.

2 May 1980: On Friday night, the massacre at Beit Hadassah. A group of Arab assassins fires from an ambush at Jewish worshippers returning from the Cave of Machpelah to Beit Hadassah, killing 5 and wounding 16. The Jewish terror group was established after the attack.

7 July 1983: Yeshiva student Aharon Gross was murdered in the Market Square. Gross was stabbed by a cell of the Muslim Jihad.

23 July 83: The underground responded with an attack against the Islamic College in Hebron, killing 3 students and wounding about 30.

3 June 1988: Mustafah Haliqah, 20, a resident of the village of Shuyukh is killed in the village of Sa'ir by an attack foray of settlers, according to Arab claims.

30 September 88: Qadir Salah, 42, was killed on Hebron's main street at the entrance to his store. The trial of Rabbi Levinger will start this week.

30 March 89: 'Awwad Farah 'Amru, 24, was killed in Hebron, according to witnesses, by a shot fired by a settler.

28 April: Nadir Da'na, 14, was killed. It is suspected that he was shot by Hayim Ben-Lulu, 50, who was attacked by stone-throwers.

Aerial Strike Tactics Against PFLP-GC Base Detailed

44230124 Tel Aviv BITA'ON HEYL HA'AVIR
in Hebrew May 1989 p 13

[Article by Dror Marom and Dafy Vitele]

[Text] The attack by Air Force planes in the Lebanon Valley on 20 March was one of the most complex attacks recently carried out in the region. The targets that were destroyed, belonging to the Popular Front—General Command [PFLP-GC] of Ahmad Jibril, were located in the heart of a region protected by missiles and thick anti-aircraft emplacements of the terrorist organizations.

This was the fourth attack by the air force since the beginning of the year, and the first one in three years in the heart of the Lebanon Valley. The two targets that were destroyed were of great importance. The hang glider pilots that attacked the NAHAL [Fighting Pioneer Youth] base next to Qiryat Shemona at the end of 1987 left from these bases.

Lieutenant Colonel D., the commander of an F-16 squadron and the attack leader, regards this attack as a complex and very important mission from the viewpoint of the wing, concerning both the air crews and the ground crews. This attack required precise and detailed planning beyond what is normally the case. Several obstacles together increased the preparations that preceded take-off and mission fulfillment.

First of all, this was a case of precision bombing of a target located about 60 km from Beirut, in a region filled with AA missiles and weapons. Consequently, the planning involved considerations of time and fuel—it was necessary to travel far, to work smoothly and without unnecessary delays, and to get out quickly. "I made a kind of mix between young and veteran pilots in the crews that went on the sortie," says Lt Col D. "The order arrived according to regular procedures, long enough in advance of the sortie to allow orderly preparations. We received a target, which was located southeast of the village of Riak, deep in the Lebanon Valley. We knew that the Syrians were close by, about 10 miles east of the buildings that were to be attacked. I ordered the technical crew to arm the planes and to prepare them for a combat flight. From the squadron's viewpoint, I defined the target as a quality target. This was a base of Jibril, from which departed the hang-glider pilots who penetrated the Galilee. We put disposable fuel tanks on the planes, in addition to their regular fuel supply. It was

clear that we would have to impose "fuel discipline." Every drop was important, and we searched for ways to conserve the precious liquid.

On the approach to the Lebanon Valley we ran into cloud cover, but when we passed over it after a minute or two, the Valley could be seen, clear and quiet.

It was clear that we had arrived with complete surprise. No missile launches from the ground were visible. As number one, I was the first to identify the target. I knew the ground from previous sorties. The targets were located on level ground, very green, surrounded by cultivated areas. In the background were visible mountains of medium height. There were three buildings with greenhouses next to them. I and number two took two of them. A push of the button, and the explosions that came from the targets confirmed the hits. Only two minutes passed from the identification of the target until we got out of there. We pulled up simultaneously and banked west. We were on time, and the fuel situation also was exactly according to plan."

Major G., the assistant commander of the squadron, who also participated in the sortie, says: "The sortie was planned cleverly and logically. The weather was clear and pleasant, and the ground was clean of AA fire, which came as a pleasant surprise. The target was on flat ground, and explosions could be seen when it was destroyed. On every combat sortie, there is a feeling of healthy tension. After you get back safely, there is a feeling of satisfaction and success, along with relief and a good feeling. During the debriefing after the sortie, 1st Lieutenant A., one of the younger men who flew with us, said: "After such a sortie, you know that there's something to serve for."

The squadron's combat activity is shared by all of its staff. The pilots that participate in the sortie are those who carry out the plans and the preparations—the fruit of many hours of exhausting work.

The personnel of the technical wing are additional direct participants in the success of combat activity.

"On special missions," says Major S., the commander of the technical wing, "the squadron commander comes, gathers the technical staff, and explains the importance of the affair. On this attack, only the senior technical staff knew what was going on. The other staff members know that combat activity is planned, even if this is not told to them explicitly. It is clear to them where the planes are going, and the exactness, dedication, and level of work must be maintained. The personnel of the technical wing wait for such a mission, and the bustle adds tension and motivation for the soldiers. We don't have special candidates for a special mission. The technical wing is organized in such a way that everyone works to the best of his ability, efficiently, and with

dedication. I rely on all of them, and know that everyone here works wholeheartedly. The daily work, from early in the morning until late in the evening, prepares the group for such situations."

The planes are checked out and chosen for the mission by senior members of the technical wing and the squadron commander, who are acquainted with every plane. The idea is to use planes which are not expected to have many problems. Arming takes a long time. It is not easy, the plane is complex, and attention must be given to every detail. The technical wing is responsible for the pilots and for planes worth several hundreds of millions of dollars. The planes were ready on time for this attack. Afterwards, it was clear that, although a tight schedule was met, the planes performed perfectly.

The technical personnel stood outside and waited for the OK signal from Lt Col D. When it was given, it was clear that everything had gone well. The pilots tell the technical staff about their experiences. Every one of them soak up each and every detail.

The commander of the technical wing sums up: "Every successful combat activity of the squadron is a milestone in the building of a cohesive and efficient technical wing that is willing and able to achieve a high level of performance also under pressure."

Shiry, the squadron's operations officer, confirms this, and agrees that a successful combat sortie doesn't begin with the take-off. "This sortie was planned for many hours before it was carried out," Shiry explains. "The planes and the pilots were chosen carefully, every millimeter on the map was known, and the fuel was calculated to the liter. The satisfaction from action is simply an experience. The personnel of the squadron stand outside when the pilots make the return landing and applaud excitedly. The proper functioning of a combat squadron is measured by such hours of pressure and tension.

S. Africa Ties May Endanger Tadiran's U.S. Operations

44230107b Tel Aviv HADASHOT in Hebrew 29 May 89
p 3

[Article by Yig'al Laviv and Shmu'el Tal]

[Text] Tadiran's ties in the United States are now being examined, following the decision of the city of Tallahassee, Florida to suspend its business with the Israeli company until it has been clarified whether the firm has business ties with South Africa. Tadiran received from the city of Tallahassee a grant of \$4 million to establish a large factory there. In its request, Tadiran declared that it has no ties with South Africa. If it is discovered that Tadiran lied in the declarations, it will be sued to recover the monies, and all of its ramified operations in the United States are expected to be wiped out, while criminal indictments would be handed down against the declarers.

Municipal sources stated that they have a telephone directory and documents from Johannesburg in which is listed a South African company by the name of Tadiran Electronics. A top executive in Koor, Gurion Meltzer, wrote to the city that Tadiran does not have a company in South Africa. In response, the city's investigators contacted Koor again on 22 March and asked if the company listed in the telephone book belongs to Koor and to Tadiran. But no response has yet been received.

City officials decided also to ask the U.S. State Department to investigate Koor's and Tadiran's ties with South Africa. A previous investigation of this subject by the U.S. Embassy revealed that Tadiran has no ties with that country.

Tadiran's chiefs in Israel do not regard these accusations as important. Sources in Israeli industry said that the struggle in Tallahassee is being conducted by opponents of apartheid of South African origin. These individuals read in a newspaper that Koor is recycling loans in South Africa, and they discovered the proof in the telephone directory of Tadiran's involvement. The sources stated that all this does not deserve serious consideration. According to them, the telephone number is that of a private individual who, every time he is called, explains that he has no connection with the Israeli Tadiran and that a mistake has been made.

According to the sources, "the city of Tallahassee is, in fact, conducting an investigation against Koor. Tadiran is not connected with Koor's economic activities, and is not responsible for any action by Koor. Undoubtedly, when the city of Tallahassee's investigation is concluded, it will be seen that a mistake has been made, and then the city will defeat those individuals who are trying to interfere with the deal with Tadiran."

Israeli business circles noted the fact that the Tallahassee affair has no connection with the contract that Tadiran signed with the U.S. Department of Defense.

IDF Commander Investigated in Leg-Breaking Incident

44230107a Tel Aviv HADASHOT in Hebrew
29 May 89 p 7

[Article by Ron Levy]

[Text] The affair of the beating of the Arabs in Hawara and Beita villages, which occurred 1 and 1/2 years ago, reached the Supreme Court yesterday. Four residents of Hawara, who were beaten and whose hands and legs were broken, appealed to the Supreme Court with the Civil Rights Society. They asked the Court to instruct the chief of staff and the military prosecutor's office to try in a special military court Colonel Yehuda Mc'ir, who was the commander of the Nabulus region and who ordered the soldiers to arrest and beat the residents in Hawara.

Me'ir was tried by the chief of staff in disciplinary proceedings, and was severely reprimanded. It was agreed that he take academic leave and afterwards retire and join the General Security Service.

In its appeal, the Civil Rights Society recounted the events in Hawara on the night of 21 January 1988. Jamal Mahmoud Tzufan of Hawara tells that soldiers tied his hands behind his back and ordered him to get on a military bus. After travelling several hundred meters, the man was taken off the bus and the soldiers ordered him to lie down in the mud. Tzufan refused, and one soldier hit him strongly in the abdomen with a club, and he fell into the mud. Five other soldiers struck him heavily on his legs, his ankles, and his knees. Tzufan lost consciousness, and when the mistreatment was over, succeeded in reaching one of the houses of the village. From there, he was taken to a hospital in Nablus, where he was hospitalized for 3 days.

Jamal 'Awda of Hawara also received heavy blows, during which soldiers stomped on his head, and one soldier even jumped on his chest. He fainted several times, and when he recovered he asked the soldiers why they were beating him. They replied that they were breaking the hands and legs of stone throwers.

About a year ago, the military police investigations unit began an investigation, and it was found that Col Me'ir, who was then the commander of the Nablus region, had summoned a company commander with the rank of captain and ordered him to order his men to break the hands and legs of those arrested in the village, but to refrain from blows to the head. Me'ir requested that the soldiers not break the legs of one of those arrested, so that he would be able to summon aid at the end of the operation. The company commander protested, and said that the orders were immoral. But Me'ir asserted that this was the IDF's [Israel Defense Forces] new policy and that the soldiers had to carry it out. The military police investigations unit revealed that prior to the mistreatment in Hawara there had been a similar case in the village of Beita.

The Civil Rights Society asserted yesterday that "this infraction was committed in a cold and calculating manner." The argument that Me'ir could not be tried because he had concluded his IDF service angered the appellants. "The reputation of the IDF and its moral fiber received a severe blow from the chief military prosecutor's decision to limit himself to a disciplinary trial," stated the appeal, which was handed over to the judge on duty.

Reasons for Economic Stagnation Discussed
44000567 Jerusalem THE JERUSALEM POST
in English 13 Jun 89 p 9

[Article by David Krivine: "Stagnation: Where Have We Failed?"] txt

[Text] Politicians keep talking about economic growth, yet it is not happening. The old fervour has gone, there is an atmosphere of lethargy: Israelis appear to be resting on their laurels.

'Amos Mar-Hayim agrees with this criticism. Plans for business expansion are not lacking, he says, the potential

exists but is not exploited. He used to be a civil servant (director-general of the Industries Ministry), is now a businessman (deputy director-general of Klal) and finds time for politics (deputy mayor of Jerusalem).

"I don't know a single company," he says, "that could not, it wanted to, step up its output by 20 or 30 percent almost overnight. All it needs is to get cracking, modify a production line, open a showroom abroad, conclude a know-how agreement with the Japanese, or whatever.

"They don't do it, not because they lack the drive or initiative, but because the government doesn't let them.

"You can't do business if there is no profit to be made. Look at what has happened during the last three years." In 1985 Shim'on Peres tackled inflation and stabilized the exchange-rate. That would have been a perfectly good brace of measures, except that inflation was not abolished.

It was slashed from over 400 percent to 16-17 percent, a sizeable improvement. But inflation abroad was a fraction of that. As prices in foreign markets rose by something like 5 percent a year while production costs in Israel increased three times as fast, the profit element was gradually but remorselessly squeezed out of our export trade.

What do the authorities do? Pass a law raising the minimum wage. "Out of 8,000 persons fired in industry during a certain period of last year," Mar-Hayim recalls, "7,200 had been earning the minimum wage and were supposed to get a rise under Ora Namir's law. Instead they got the sack. What is the good of legislation like that?

"Israel's exporters, did not want to lose markets painfully built up over the years, so most of them went on selling even when they covered only marginal costs. Far from earning profits to distribute, they couldn't cover their depreciation, which means they could not afford to replace worn-out equipment. Between 1984 and 1989 industry forfeited practically all its capital."

"People don't have the money to invest even if they want to. The government doesn't help; it devotes its efforts to rescuing the losers, those who face bankruptcy. It does not bother about the viable firms, those which could be winners if given the chance.

"Providing decent conditions for business ventures would solve both problems. Efficient firms would become profitable; and they would buy up the money-losing ones, making them profitable too."

Can the government afford to give this aid, burdened as it is with other kinds of expenditure on defence, welfare, debt service?

"We have to fix our priorities. In my view it is more important to encourage employment in Israel than in South Korea, more important to export than import, more important to invest than to let industry waste away."

Ronaldo Eisen, head of the Rim furniture company, thinks the data being published about the economy at this moment are close to the worst ever.

"And which industries," he goes on, "are most affected? Those [textiles, food and others] hit by the minimum wage regulations," which Eisen considers "one of the most draconic and unsocial measures on the law books."

But don't we need the kind of economic branch that dispenses less than minimal salaries?

"It would be lovely to say: no, we don't," Eisen says. "It would sound good: but what happens? People were previously paid by an employer to produce, now they are paid out of public funds to sit at home."

Obviously workers should not content themselves with NIS [New Israeli Sheqels] 800 a month in a textile plant if they can get NIS 1,200 in an electronics factory nearby. But there isn't an electronics factory nearby looking for labour. And if there was we would need no minimum wage law. The workers would flock to the new workplace of their own accord.

A company that is in the market and produces goods may earn little, but it earns something. In its own self-interest it will try to improve standards; if it succeeds it will be able to pay better wages. "We are a poor country because we don't produce," Eisen points out, "and the minimum wage law will make us produce less, impoverishing us further. I know the legislators mean well, but the road to hell is paved with good intentions."

"Blaming the government," I remark, "is sometimes a good excuse for doing nothing. The exercise is called passing the buck. The business community shows signs of lethargy. Are they not responsible in part for our present standstill?"

"I believe," Eisen replies reflectively, "that environment influences conduct I can give you an example. Migrants from countries in Latin America and elsewhere that are not reputed for initiative or enterprise arrive in the U.S. and become first-class businessmen. The social climate in America activates them. If they don't work their hardest they go hungry. But if they make good they are rewarded, and not just financially."

This energizing reward-and-punishment system is lacking in Israel. A dealer who is successful and makes money is viewed as a shady character. The only sector relatively open to competition in Israel is industry. Other

sectors, notably the services, continue to bask in the idle, overprotected security that used to prevail in other countries when welfare policies were all the rage.

"During an army reserve stint I was asked, since I speak Spanish [he was born in Panama]—to take a group of donors from Mexico round military installations. Eager to do the job well I rang Keren Hayesod to ask for background material about the visiting personalities. This was at 11 a.m. on a Friday.

"Sorry," I was told, "we are closing for the weekend."

"Can I call you Sunday?"

"Sorry, we are closed on Sundays. We work a five-day week."

Yoram Belizovsky is director-general of the Ministry of Industry and Trade. I expected him to defend the government's policy. I thought he would prove that the rash of factory closures is episodic and that economic growth is round the corner.

He did nothing of the kind. He distinguishes between closures deriving from structural changes in the economy, which he welcomes; and those caused by the institutional situation. The latter he can't stomach.

"We have opened the Israeli market to imports, and some undertakings can't compete. There is nothing to be done about it. We profoundly regret the loss of employment for dismissed workers, but the economy must be made competitive. It must adapt and we cannot stop the process.

"The second kind of closure is due to government policy, and here we have to register a protest." He demands a better exchange rate, cheaper capital, lower taxes. He repeats the complaints dinned into my ears by the manufacturers, as if his ministry was their spokesman. I have the impression that the government of Israel must be somewhere else. "If we can't make industry profitable," he says, "what fool will invest here?"

"Last Sunday I attended a meeting of the Economic and Social Council. I had the impression that Finance Minister Peres understands the problem. Many in the Treasury favour aid to industry. The trouble is that others are against. The Bank of Israel is against. So is the economic adviser to the prime minister, Amos Rubin."

I tried first the Bank of Israel, speaking to one of its senior directors, Mordekhay Frankel. He sounded morose. Not because energies have wilted in Israel but because the businessman's best efforts are frustrated by the conditions he faces. High costs are a problem, they should be lowered.

Instead industrialists cry out for subsidies, but that is no solution. Why not call a spade a spade? Wages are too high, he declares bluntly. Labour, he implies, is rewarded more liberally in Israel than capital.

The wage bill, including fringe benefits, has grown faster than out-put, Frankel believes. The labour force is producing less per shekel of salary than it did before. People are pricing themselves out of a job. Unemployment statistics tell the tale, we should be able to read the message.

"I am not sure," I interjected, "that we can read the message you mean. There is widespread conviction in this country that salaries should never be reduced. Everybody feels underpaid. The only subject on the agenda of any and every trade union is: wages increases."

Not so, says Frankel, there is a response. The latest cost-of-living agreement is constructive, permitting wages to lag a little. The recession helps also: it is pushing pay levels down. The government must do its bit by keeping inflation in check. It should resist all pressures to increase its spending—on civil-service wages or anything else.

"So," I conclude, "whatever we do is wrong. If we don't help industry, it will stagnate. If we don't help industry, it will stagnate. If we do, we shall be stoking up inflation. What is the solution?"

Frankel is aware of the dilemma, which is presumably why he looks so gloomy. "It's a political problem, you see," he demurs. Wages should be fixed at plant level by people, both workers and management, who depend on the firm of their living. Instead they are fixed by the politicians. So are the social benefits, which have to be financed in the last reckoning by that same firm.

The firm pays, but it has no voice in deciding how much, nor are market considerations a factor in determining what it can afford. The government decides everything. The less efficient firms, according to Frankel's analysis, are pushed bit by bit into deficit and eventually into paralysis.

I try my luck with Amos Rubin, of the prime minister's office: perhaps he can find a way out of the deadlock. "Lethargy in Israel?" he asks. "It depends where. A positively vibrant spirit of initiative can be found in the realm of ideas, research, technology. It stops short when these ideas have to be applied on the shop floor. However good a high-tech process you may have devised, you are stuck if you can't raise capital."

Lack of capital is the problem, not excess wages. You cannot play with salaries in Israel. "We can see the ordeal of less competitive branches struggling to survive. How do they trim their wage bill? Not by reducing each man's pay packet, instead they fire 20 or 30 percent of their staff. Believe it or not, they find that easier."

What then is the way forward? "If we cannot lower wages to match productivity, we shall have to raise productivity to match wages."

It can be done, it is even happening, because of the competitive tensions that are beginning to emerge in Israel's industrial sector. The move towards free trade is salutary. Productivity must improve if a firm is to survive. It does that by firing workers, hence the rising tide of unemployment. But the remaining workers produce between them as much as the firm was producing before.

The thinning-down process is occurring throughout industry, in Polgat, in Scitex, in Koor, in Elite, you name it. Undertakings stay competitive by shedding redundant personnel. Those left have to work harder, or more efficiently, to maintain the former output.

Yet redundant workers cannot be left on the streets. Where are the new undertakings to give them work?

Rubin agrees that new investment should be encouraged, but in ways that do not distort the performance of the economy or hold up the rise in productivity. He advocates, in addition to balanced budgets and continued economic liberalization, two specific measures: interest rates should be brought down to match world levels; and the government should make capital more accessible.

The problem is the conservatism of Israel's banks, which are used to a seller's market in loans. They lay down their own terms. They will not lend unless the borrower pledges premises, machinery, etc, as collateral.

The kind of growth industry that suits Israel's character and situation depends a lot on technology but requires little in terms of premises or machinery. Its raw material is the human brain, which cannot be mortgaged to the banks. Such ventures can't borrow money to the needed amounts.

Rubin proposes that the government share the risk with the investor and the bank by guaranteeing part of the loan, provided the investor puts in a corresponding amount of own capital. He would be charged a premium for the guarantee, but the surety of official backing would enable him to pursue the kind of innovative lines that can be profitable in export markets even at the present exchange rate.

Neither Frankel nor Rubin would deny that big aid budgets would help if we could afford them; but we can't. So we must fall back on more austere methods; and these are, if the truth be told, the best.

Tight budgeting, continued liberalization and no subsidies (however loud the outcry). Availability of capital and a bit of discreet encouragement along the lines that Rubin suggests. All this may ginger up the sluggish

economy. Everybody agrees that the business scene in Israel could become a hive of activity, if the community of entrepreneurs were given their head for once.

KUWAIT

Soviet Ambassador Praises Military Cooperation
44000570a Kuwait ARAB TIMES in English
27 Jun 89 p 6

[Text] Kuwait, June 26 (KUNA)—The Soviet ambassador here was today quoted as praising the progress of relations with Kuwait, particularly in the military field, and indicated that pieces from the Armitage Museum would be exhibited here early next year.

The envoy Ernest Zverev said, in an interview with a local daily, that relations with Kuwait are continuously improving in all fields and reached the level of undertaking joint projects.

He indicated that a programme in the sports, cultural and information fields is under study and announced that a three-year agreement on cultural exchange would be concluded within the coming few days.

Increase

Fruitful co-operation between Moscow and Kuwait in the military field is advancing satisfactorily, the Soviet diplomat noted, expressing confidence that bilateral co-operation would steadily increase over the time.

On the Iraq-Iran war, the Soviet envoy deplored the lack of progress to fully implement Security Council Resolution 598 for reinstatement of permanent and solid peace in the region and pledged Moscow's contribution to this end and her support to efforts by UN Secretary-General Javier Perez de Cuellar.

He hoped that bolstering of Soviet-Iranian ties, reached during last week's visit to Moscow by Iranian Parliament Speaker Hashemi Rafsanjani, would help stabilise conditions in the region.

Ambassador Zverev said because of its 2,500 kilometre-long common borders with Iran, the Soviet Union is interested in maintaining good relations and stabilising conditions in the Arab Gulf region.

Plan

Asked about Israel Premier Yitzhaq Shamir's plan for local elections in the occupied Arab lands, the Soviet envoy criticized the plan as ambiguous and impractical in several of its points.

He gave qualified support to a clearer plan if it is part of a political process aimed at reaching comprehensive, durable and final peace in the Middle East that will ensure Palestinian rights of self-determination and statehood.

"But if the election proposal," Zverev said, "is offered with the purpose of maintaining the present status quo or to stall the process of a settlement, we frankly say it is unacceptable from the start."

Islamic Ministry Bars Some Imams From Friday Sermons

44000569a Kuwait ARAB TIMES in English
20 Jun 89 p 6

[Excerpts] The undersecretary of Ministry of Awqaf and Islamic Affairs Muhammad Nasir al-Hamdan has said that the ministry rejects all kinds of religious terrorism and domination by any group. He added that limits of Islamic work are clear and secured by the state in its regulations and laws. He added that the ministry does not allow anyone to use mosques to attack or abuse any religious group or individual. He revealed that the ministry has barred some imams from sermonising on Fridays because they violated the limits and regulations of their work that are determined by the ministry.

The ministry has also followed up on the phenomenon of some worshippers who attack or abuse people or other groups after the end of prayers or after the end of Friday sermon. The ministry put an end to this problem by reporting the names of these people to relevant authorities in the state to take the required action, the official said. [passage omitted]

Hamdan pointed out that the ministry will not allow caravans that have registered less than 100 pilgrims to leave Kuwait. He also revealed that the ministry has no intention to prevent the non-Arab farrash at mosques to call the faithful to prayers (Azan) in case the Muezzin is absent.

He also denied that the ministry intends to dismiss non-Kuwaiti imams. He added that there are more than 800 mosques in Kuwait and it needs large numbers of imams and other workers. [passage omitted]

Students' Low Academic Standards Called Serious Problem

44000570b Kuwait ARAB TIMES in English
28 Jun 89 p 6

[Article by Muhammad al-Barjis]

[Text] The level of academic standards of graduates at Kuwait University poses a serious problem, according to the new rector Dr 'Abdullah Shu'ayb.

In an interview with SEYASSA, the official said that he will work to bring about a clear academic strategy that will serve as a vehicle towards producing graduates who will meet the requirements of the development plans and interact with the needs of society.

Plans to build new buildings for faculties of engineering, law, human sciences and administrative sciences at the university's campus in Shuwaikh Area are on the anvil, the official said and added that buildings of the Faculty of Science in Khalidiyah will also be developed to cope with the continuous growth of the faculty.

He went on to state that the university has determined administrative plans to develop the qualifications and efficiency of teachers at Kuwait University. "The university as a rule will not renew contracts of teachers who have reached the age of retirement—except in very rare majors," the official said.

On the issue of jobs for Kuwaiti graduates, Shu'ayb said that training courses are undertaken to qualify these graduates to join the mainstream of activities. However, some graduates insist at working in certain posts which make it difficult to meet their demands. Ministries usually announce vacancies for graduates. He cited the example of the Ministry of Justice who published ads in local papers on several occasions calling on graduates to apply for jobs, he said.

Shu'ayb praised the present courses system (American), but added that a decision taken by the council of the university prior to his undertaking his new post preferred applying the traditional academic system at the Faculty of Law.

Explaining, he said that the Faculty of Law will follow an academic system that combines the four year system with the course system. He added that according to the new system, exams will be held every two months, in addition to the finals. All grades of these exams will be taken into consideration, he said.

Shu'ayb described payments of the teaching staff of the university as good compared to those offered by universities in neighboring countries and ruled out any amendment in the pay scale of teaching staff. However, the university will offer incentives such as finding work opportunities for teachers of the university at the ministries and establishments during summer.

Declining Examination Scores Blamed on 'Lazy Students'

44000569b Kuwait ARAB TIMES in English
25 Jun 89 p 7

[Text] There has been a noticeable decline in the success rate among students both in the science and arts sections, according to recently announced results of the General Secondary examination by the Ministry of Education.

Better results were expected due to efforts and continuous follow-up of students by the ministry during this academic year, director of the Private Education Department at the Ministry of Education, 'Abdullah al-Mahanna said.

The official said that he believes the decline in the passing rate of students this year is due to a lack of efforts by students. Another reason was the strict vigilance to prevent cheating at exams. Relying on cheating at exams weakened the abilities of students and destroyed self confidence and resulted in making them depend on other methods to pass a specific subject, al-Mahanna added.

The better performance of students from private schools was attributed to devotion, planning, particular attention paid by teachers to their students and the supportive and guiding role of parents.

Al-Mahanna said that private education is a continuation of government education and that students in both sectors obtain the same sphere of attention, follow-up, researches and studies conducted by the Ministry of Education to evaluate results. The Private Education Department plays the same role in conducting studies and analysis on examination results.

The official said that the outstanding feature towards achieving good grades is the fruit of efforts exerted by students. Girl students at the Arts section have dominated results because of their adherence to application to studies. The issue requires more expanded and comprehensive studies on the predominance of girl students in the Art section and boys in the Science section.

Al-Mahanna rejected the use of the lucky draw method practised at some private schools as a method to attract students. He explained that the department does not approve of this scheme as it is not relative to the principles of the educational operation. Competition among private schools should be conducted on the basis of what these schools offer in order to serve the educational operation only, the official said.

Regarding the process of General Secondary examination questions, Dr Mansur Ghulum, the general supervisor of the Science section said that examinations may have many objectives among which is to evaluate the level of students, and providing teachers with experience in evaluating their teaching experience and methodologies.

In general, he said, questions this year did not meet students' expectations. He pointed out that the mathematics papers of this year were easy and did not reflect the level of students. He added that examinations in general should include different levels for weak students, intermediate students and good students and talented students.

LEBANON

Ambassador to UNESCO, 'Adil Isma'il, Interviewed

44040462b London AL-HAWADITH
in Arabic 23 Jun 89 pp 16-17

[Interview with Dr 'Adil Isma'il, Lebanese ambassador to UNESCO, by unnamed interviewer: "Francophone Summit Supported Lebanon's Sovereignty and Unity"; date and place not given; first two paragraphs are AL-HAWADITH introduction]

[Excerpt] Dr 'Adil Isma'il, Lebanon's ambassador to UNESCO [United Nations Educational, Scientific, and Cultural Organization], returned last week from Dakar, the capital of Senegal. This quiet, dignified diplomat, who enjoys a wide measure of respect among the Lebanese, is a political author who has served the Lebanese cause with his pen, his tongue, and his writings. The latest of these was published under the title, "Diplomatic Documents Series." It is a series that talks at length about modern and contemporary Lebanese history with documents and firm references. Dr Isma'il has been occupied with gathering, arranging, and classifying these for about 40 years. At last week's Francophone summit conference in Dakar, Ambassador Isma'il, with authorization from the governments of the general [Michel 'Awn] and the doctor [Salim al-Huss], represented the one Lebanon. He introduced to the conference a draft resolution on Lebanon. The resolution won the approval of the summit and was adopted without reservation or comment.

AL-HAWADITH met with Ambassador Isma'il on his return from the Francophone summit. The following conversation took place.

[AL-HAWADITH] You chaired the Lebanese delegation at the Dakar summit. Whom were you representing at this conference?

[Isma'il] I was representing the one Lebanese state. I was not representing either of the governments. There was an agreement between the two governments to authorize me to represent Lebanon at this general conference. There was also agreement between the two about the draft resolution that I presented to the conference in the name of the one Lebanon.

[AL-HAWADITH] What were the results of this conference as regards Lebanon?

[Isma'il] The results were many. We should not forget that this conference included 44 countries. About 30 presidents led delegations, and the other delegations were headed by prime ministers. The delegations included a large number of foreign ministers, education and culture ministers, and economy ministers. Thus, the atmosphere was very appropriate for making the Lebanese issue known, without it being necessary for the

Lebanese delegation to present the point of view of either of the two factions on the Lebanese scene. Thus, the text of the draft resolution that was presented came as a text supporting Lebanon's unity, sovereignty, and independence, and the desire of the Lebanese for peace, so that Lebanon can once again be as it was and as it must remain—a country of brotherhood, dialogue, tolerance, and coexistence between all its people and sects. At this conference, we were also able to define the power of the independent fund that was established for Lebanon at the 1987 Francophone summit in Quebec. The job of this fund is to rebuild the cultural, educational, technical, and health institutions that were entirely or partially damaged during the war. This fund is still in its first phase. It is qualified to work comprehensively, as soon as peace returns to Lebanon. In 1988, 8 million French francs (about \$1.5 million) were earmarked for it. In 1989, about 10 million francs more (\$1.75 million) are expected to be earmarked for it, and even more significant sums will be earmarked for it in the future, when the fighting stops and the Lebanese state begins reconstructing its institutions and building the new Lebanon. One can say that the atmosphere of the conference was very positive. There was favorable response from the leaders, who expressed their desire for Lebanon's safety, independence, sovereignty, and territorial unity. One should point out that the conference did not deal with the Lebanese crisis in its political aspect; instead, it especially concerned itself with intellectual and cultural issues and the need to reconstruct the educational and health institutions that the war has destroyed.

A third matter on which the Lebanese delegation scored a great victory was the renewal of Lebanon's membership on an exceptional basis in the international follow-up committee charged with implementing the summit resolutions. Their costs run to about 700 million francs (about \$110 million). We hope that Lebanon will obtain what it needs of these funds.

Our membership in this important committee has thus lasted 6 years, while the membership of the other 12 countries has lasted only 2 years, or 4 years in exceptional cases. This can be attributed to the role of the Lebanese delegation and the position that Lebanon holds in international intellectual circles.

[AL-HAWADITH] As long as we are talking about being Francophone, is Lebanon still Francophone, or has it become Anglophone?

[Isma'il] Lebanon is neither Francophone nor Anglophone. It is Arab. Its culture, heritage, and intellectual and civilizational affiliation are Arab. Arabic is its official language and the mother tongue of its people. Our Arab educational, intellectual, and cultural situation cannot be compared with the situation of the other nations that are members of the conference—nations that consider French their official language, such as France, Belgium, Switzerland, Quebec, and Senegal and other African countries. It should be pointed out that the

term "Francophone" is incorrect. A great mistake can be made in interpreting it and giving it a content that in no way expresses its real actuality. The official title of the conference was, "Summit Conference of Countries That Use French Entirely or Partially." This explains the membership of a large number of countries who have their own language, culture, and national feeling, but which use French in their schools and universities as a language of science and culture. This is the case of Lebanon, an Arab country with an Arabic culture, language, and civilization. One should draw attention to the fact that six Arab states are members of this group and participated in the conference: Morocco, Tunisia, Mauritania, Egypt, Lebanon, and Djibouti. As some officials confirm, other Arab countries that use French in their institutes and universities are expected to join the group. The concept of "Francophone" must therefore be given the educational and actual significance it has in the member countries. Those responsible for the group desire that cooperation between them should continue, based on aid from the countries of the north to countries of the south in the area of modern technology acquisition and participation as much as possible in the civilization of the 21st century. As everyone knows, this is a civilization of science, technology, information science, and computers. Thus we observe that most of the projects that the Dakar conference and the two preceding conferences in Paris and Quebec approved dealt essentially with issues of technology and its application in communications, agriculture, power, and other vital technological matters.

[AL-HAWADITH] When did Lebanon become a member in the Agency for Cultural and Technical Cooperation that is considered to be the executive agent of the Francophone group?

[Isma'il] Lebanon entered this group in 1972, during an official visit to France by the then Lebanese prime minister, Sa'ib Salam. Lebanon's participation in the agency has been beneficial to educational institutions in Lebanon, which have received a great deal of aid from it, especially in the area of training and in equipping educational and technical institutes with laboratories and modern scientific equipment. This year, 8 million francs have been earmarked for these institutions.

[AL-HAWADITH] The newspapers mentioned that you passed through Morocco on your way back to Paris and met with senior Arab and Moroccan officials. Who were they?

[Isma'il] As you know, I served as Lebanon's ambassador in Morocco for 7 years (1978-1985). During that time, I established close friendships with senior Moroccan officials, especially King Hassan II, Prime Minister Dr Azzedine Laraki, and Foreign Minister Dr Abdellatif Filali. After the Casablanca summit ended, I was eager to go to Rabat. I in fact met with senior officials in Morocco during private visits not marked by any official character. The king wanted me to meet with him at Rabat

Airport. The meeting was attended by President Chadli Bendjedid of Algeria, Foreign Minister Prince Sa'ud al-Faysal of Saudi Arabia, Foreign Minister Dr Abdellatif Filali of Morocco, and Foreign Minister Boualem Bessaïeh of Algeria. The meeting was personal, not official.

[AL-HAWADITH] What did you hear, and what were the discussions of this meeting?

[Isma'il] I have sent Lebanese officials a detailed report about this meeting.

[AL-HAWADITH] Which officials?

[Isma'il] All the officials whom the matter concerns.

[AL-HAWADITH] Are there, in your opinion, intellectual and cultural causes of the Lebanese war, in addition to the international and regional political causes?

[Isma'il] I do not want to go into political matters, nor do I wish to talk about matters of the war—its causes and developments. That is something for the politicians in Lebanon. I want to limit the discussion to how the intellectual and educational orientation of young people affects the social situation and its role in this war. It is no secret to say that since the beginning of the period of independence and even before, Lebanese young people have been subject to a particular intellectual orientation, with one group of Lebanese turning east, and another turning west. This orientation has led to a split in the personality of the citizens and an intellectual distance between them. Each faction has lived in estrangement from the other. In Lebanon, citizenships, rather than a single citizenship, have developed. Loyalty developed to sectarianism and sects, rather than to the one homeland. This estrangement between citizens has led to each faction's being ignorant of the spiritual, cultural, and intellectual values of the other faction, so that "dialogue" has come to resemble reaction and counter-reaction. All of this has led to mutual estrangement between citizens and the creation of a negative atmosphere in the country—an atmosphere that has not been in the interest of security and peace.

To the extent that the previous orientation was not beneficial to the interest of the one Lebanon, the role of the intellectuals will be important in building the Lebanon of the future. This reconstruction must not be limited to the rebuilding of roads, bridges, factories, ports, and airports. It must also be based on reconstructing the Lebanese person. If this reconstruction is done well, we shall have guaranteed stability and peace for a long period. If it is done badly, that person will again sabotage the institutions that citizens have built.

[AL-HAWADITH] Let us return to history. Has Lebanon's history known long sectarian wars?

[Isma'il] Lebanon's history is no secret. It is a history that everyone knows. For the last 14 centuries, I do not recall that events have seen sectarian wars in the sense of the sectarian wars in Europe, for example. Coexistence between the Lebanese has extended throughout the centuries. It was disturbed only by passing incidents, such as all peoples of the world have known. History has registered only sectarian disturbances. The most prominent of these occurred between 1841 and 1845 and was the result of the Egyptian occupation of Lebanon and Syria between 1832 and 1840. The events ended with the administrative regulation of Shekib Efendi, which divided Lebanon into two qaimaqamates. This division lasted only 15 years. It ended with the sectarian incidents of 1860, which were a result of the division. By its very nature, division means the entrenching and continuance of civil war. [passage omitted]

Tripartite Council Demands Include Israeli Withdrawal

44040462A London AL-HAWADITH
in Arabic 23 Jun 89 p 9

[Article: "Israeli Withdrawal an International Demand, Not Merely an Arab One, If Intra-Lebanese and Lebanese-Syrian Accord Is Implemented"]

[Text] The tripartite ministerial committee formed by the Casablanca summit conference is scheduled to meet this week in Morocco to review the political and practical moves that have been accomplished to date regarding the Lebanese crisis and to prepare a program for the next phase of Arab and international movement that the top-level tripartite committee, composed of King Fahd bin 'Abd-al-'Aziz, custodian of the two holy mosques, King Hasan II of Morocco, and President Chadli Bendjedid of Algeria, has mandated.

Although the tripartite ministerial committee has still not been able fully to implement a cease-fire in Lebanon, it has nevertheless been able to uncover the cards of the Lebanese crisis one by one, especially the intra-Lebanese card and the Lebanese-Syrian card. One can say that the top-level tripartite committee has been given a nearly complete picture of the Lebanese situation internally, regionally, and internationally by the ministerial committee. This situation can be summarized as follows:

The Intra-Lebanese Level

Observers say that to date intra-Lebanese demands have been enumerated and the thorny questions defined—both those whose solution is possible and those that defy solution.

As for intra-Lebanese demands, it has now become clear that some Lebanese want agreement on political reform to occur before the election of the new president; for, if election of the president were to take place without agreement on reform provisions, that might be a new reason for the outbreak of intra-Lebanese disagreement.

Even before the advent of the tripartite committee, the crux of political reform centered on the question of reform-before-president or president-before-reform. Serious discussion stalled on this tremendous question. Some then said that the soundest way was for elections and reform to coincide in time—i.e., the president should be elected at the moment when agreement was reached on reform. Of course, this was virtually impossible and incapable of application. On the contrary, election of the president before reform was more logical and rational. Nevertheless, the tripartite committee was able to get all the Lebanese to agree on the need to agree on the broad outlines of reform, so that the president can enter office as a reform president from the moment of his election.

The truth is that putting reform before the election is not a Lebanese puzzle or political game. It is a thorny question tied to predefined positions. Those who want reform before the president are the group of Lebanese who fear that a president who comes before reform might after his election throw reform to the winds. The lexicon of the Lebanese crisis calls this group of Lebanese, "the wronged and deprived."

Those who have wanted the president before reform are an opposite group of Lebanese. Their name in the Lebanese lexicon is "the group of the fearful." They think that if reform comes before the president, the new president will be secondary. That is to say, he will be a president without a role, one unable to be effective and creative.

As is well known, in the Lebanese set-up, "the group of the fearful" are the Christians. "The wronged" are the Sunnis and the Druze. "The deprived" are the Shi'ites.

However, it should also be said that all these groups insist that Lebanon should again become sovereign, free, and independent. They agree without reservation on the need gradually to eliminate the confessional nature of offices specified in Article 95 of the Lebanese constitution as something temporary.

The Lebanese-Syrian Level

Observers say that the tripartite committee was able to find a firm ground for Syrian and Lebanese convictions. It was the shaking of these convictions that led to a sharp turn in the Lebanese fighting. What the committee arrived at in this regard can be summarized as follows:

1. Lebanon is an independent state pertaining to the Lebanese, rather than any others. If the Lebanese want association or unity with Syria, this will be the concern of the Lebanese people alone, without any foreign pressure upon them.

2. The Lebanese harbor no ill will toward Syria. They do not want to deal with Syria as a foe or rival. There is no benefit for Lebanon or the Lebanese except in Syria's being the larger sister country most favored and of most concern to the Lebanese.

3. The Lebanese-Syrian war is one in which Lebanon cannot emerge as victor. It is deadly to Lebanon and harmful to Syria and so must be ended forever.

4. The Lebanese Christians are not Turks or Chinese, but pure Arabs. They are like the majority of the Arabs in purity, genuineness, and authenticity. One must therefore deal with them on the basis of their being members of the cohesive Lebanese family. They are Arabs like all the Arabs. Accusations leveled against them of Zionism, dealing with the enemy, or of being Crusaders are untrue. Furthermore, such accusations are harmful to the Lebanese and Arab interest over the long run.

5. The Lebanese Muslims of all sects are Lebanese first and Arabs second. There is no need to accuse them of being Arabs first and then Lebanese, or Muslims first and then Lebanese. Lebanese Muslims have the right to be equal with Lebanese Christians both in office and citizenship, especially since the age of Christian educational superiority has ended for good.

AL-HAWADITH has learned that these details and others were discussed in depth. It was agreed that they were all a temporary tendency caused by the fighting and continuing estrangement.

6. The tripartite committee was informed that in return, Syria has no evil intention against Lebanon. It does not want to occupy Lebanon. It does not want to nibble away at Lebanon or slice off parts of it. Lebanon, in the view of the current Syrian government, is Lebanese and belongs to the Lebanese to have and enjoy. Syria does not want the matter to look as if it were a war between it and Lebanon.

7. Syria does not want the matter to appear as if it, Syria, were a state whose withdrawal from Lebanon is demanded, as is the case with Israel.

8. The Syrian army is present in Lebanon not to help Muslims against Christians or to aid Christians against Muslims. It is present on the basis of a request from all the Arab states, Lebanon foremost among them. The departure of the Syrians from Lebanon is something not to be decided by this or that faction in Lebanon. A Syrian departure from Lebanon at this time would mean first of all the tearing apart of Lebanon. Secondly, it would mean that Israel could take advantage of Syria's isolation, which is something that Syria will resist as long as it can.

9. Syria wants political reform to take place in Lebanon, not because it wants to install Syrians in Lebanese ministries, but because it really wants to leave Lebanon

with no reason remaining there for its return. A secure, stable, and quiet Lebanon would mean a quiet and stable Syria. On that basis, the Syrians say that the security of Syria is related to the security of Lebanon.

10. The Syrians also say, and have said it to the top-level and lower-level tripartite committee, that if it had been a matter of a Syrian-Lebanese war—or rather a Syrian-Christian war—the Syrian army would have been able to crush the Christian area utterly. Nor is it correct to think that the Great Powers would dispatch their armies against Syria, if, God forbid, this event were to occur. The Great Powers, as some Lebanese know, support the Syrian presence in Lebanon. They do not believe that Syria wants to devour Lebanon or exterminate its Christians.

Does this mean that the door to intra-Lebanese reconciliation has been shut?

Observers say no, because the tripartite committee took precautions for this very problem. The committee is confident that the next 6 months will eliminate this reason finally.

The Regional Level

Observers say that the other half of the Lebanese crisis is the Israeli half. What further complicates the Lebanese problems is the fact that Israel, which occupies broad areas of Lebanese territory and has still not announced that it will leave this territory. Nor has the Security Council yet been able to implement its resolutions relating to Israel's withdrawal from Lebanon. The reason, of course, is that Israel covets Lebanon's water. If the Lebanese crisis becomes more complex and it becomes impossible to find a solution to it, Israel will steal this water with no one demanding that it return the water to its owners. If the peace negotiations on the Middle East crisis become complicated, Israel will remain on Lebanese soil, because it is using this as a card to exert pressure against those at the table.

Unlike Washington, the Europeans think that the Lebanese crisis is an intra-Arab crisis that should be solved by the Arabs themselves. If they cannot, and tell us they cannot, then comes the turn of the Great Powers. Thus, observers believe the tripartite committee enjoys Europe's esteem, respect, and support, at a time when Washington is still creating obstacles in its path.

But for how long?

Observers answer that the top-level Arab committee is the only key to the solution. If it is able to implement intra-Lebanese and Lebanese-Syrian reconciliation, Israeli's departure will then become an international demand, even before it is an Arab demand.

All signs indicate that the committee is moving ahead for the best.

LIBYA

People's Congress Formulates New Price Control Law

45040400 Tripoli AL-FAJR AL-JADID
in Arabic 17 May 89 p 3

[Article: "General People's Congress Formulates Law 13 of 1989 Concerning Surveillance of Prices"]

[Text] The General People's Congress has formulated Law 12 of 1989 concerning surveillance of prices. Its text follows.

The General People's Congress,

Having examined the declaration of the establishment of the people's authority and Law 9 of 1984 concerning the organization of people's congresses,

And having examined the price surveillance law issued in Jumada II 1385 (1965) and its amendments,

And having examined what the fundamental people's congresses approved in their second regular session of the year 1398 after the death of the Prophet (1988) and what the General Meeting of People's Congresses and People's Committees formulated—The General People's Congress, in its 15th regular session, between 25 Rajab and 2 Sha'ban 1398 after the death of the Prophet (2-9 March 1989), has formulated the following law:

Section 1

All local and imported commodities, goods, and products, as well as services, are subject to the price control system, except those exempted from it by resolution of the General People's Committee.

It is not permitted to sell them or deal in them for a remuneration exceeding the price set under the provisions of this law.

Section 2

The General People's Committee for Economy and Foreign Trade shall classify commodities, goods, products, and services and establish regulations fixing their prices.

Section 3

The General People's Committee for Economy and Foreign Trade shall set prices for commodities, goods, products, and services that the public interest requires should have a single price in all parts of the Great Socialist People's Libyan Arab Jamahiriya. It shall do this in coordination with the other relevant public agencies.

Section 4

Pursuant to the provisions of the two preceding sections, the prices of commodities, goods, products, and services within the administrative zone of the municipality shall be set by a committee to be formed by resolution of the people's committee of the particular municipality.

Section 5

The procedures for convening the municipality's price control committee and for issuing its decisions shall be established by resolution of the people's committee of the particular municipality.

As soon as its decisions are issued, the committee must inform the General People's Committee for Economy and Foreign Trade and the people's committee for economy and foreign trade in the municipality.

Section 6

The set prices for some services provided by public agencies may be lowered for certain classes of citizens by resolution of the General People's Committee.

Section 7

Resolutions issued by the General People's Committee for Economy and Foreign Trade shall be published in a daily newspaper and broadcast by television and radio. Resolutions issued by municipal price control committees shall be published in a local newspaper. The resolutions referred to in the two preceding sections shall become effective on the day following their publication.

Section 8

Anyone who offers for sale a commodity, good, or product or who offers a service subject to the price control system and whose price has not already been set must submit to the price control committee all the forms and documents containing the factors of its cost so that its price may be set.

Section 9

Anyone who offers for sale a commodity, good, or product or who offers a service must keep all forms and documents containing the factors of its cost for at least 3 years. The various distribution channels must upon request notify the Secretariat of Economy and Foreign Trade or the bodies that it deposes of any imported commodities, goods, and products they have. This notification must take place within 1 week of the request.

Section 10

Anyone who produces a commodity must keep regular books recording necessary information about the quantity and costs of production, so that they may be consulted when needed.

Section 11

Anyone other than the producers of the commodities or goods is forbidden to sell them outside the licensed channels.

Section 12

Anyone who offers a commodity, goods, or products for wholesale or retail sale must clearly affix its price to it, its cover, or its container, even if the commodity, good, or product is exempt from the price control system. Stores that offer work or services that fill a general public need must each place in a visible place in the store a clearly written announcement of their prices. The General People's Committee for Economy and Foreign Trade may in all cases set particular places or ways of placing or writing price lists in stores.

Section 13

Anyone who sells a commodity or provides a service must upon request give the person concerned a receipt indicating the price and kind of the commodities or the value of the service. He must keep one or more copies of this receipt at least 3 years.

Section 14

Anyone who sells a commodity, goods, or products; who provides a service subject to the price control system; who offers these for sale at a price exceeding the established limit; or anyone who conceals these things or refuses to sell or offer them, with the intent of influencing their price, or of selling or offering them at a price higher than the price set under the provisions of this law shall be punished as follows:

1. If it is a first offense, the offender shall be punished with a fine not less than 100 dinars and not more than 500 dinars. The store shall be closed by immediate order of the public prosecutor for a period not less than 1 week and not more than 15 days.
2. If the offense recurs within 5 years from the judgment in the first occurrence, the offender shall be punished with a fine not less than 300 dinars and not more than 2,000 dinars. The store shall be closed by immediate order of the public prosecutor for a period not less than 15 days and not more than 1 month.
3. If the offense recurs for a third time within 5 years from the judgment in the second occurrence, the offender shall be punished with a fine not less than 1,000 dinars and not more than 5,000 dinars. The court shall withdraw the license and prohibit the carrying on of professional activity for a period not less than 1 year and not more than 3 years.

In all cases, the items that are the object of the case shall be seized and confiscated.

Section 15

Anyone who violates the provisions of Sections 9, 10, and 13 of this resolution shall be punished with a fine not exceeding 200 dinars. Anyone who violates the provisions of Sections 11 and 12 shall be punished with a fine not less than 100 and not exceeding 1,000 dinars.

Section 16

The implementation of any of the punishments stipulated in this law may not be ordered to be stopped.

Section 17

Public and private companies and establishments, cooperatives, and consumers' cooperative associations, shall be considered jointly responsible with their employees and workers for any acts the latter commit during the performance of their work in violation of the provisions of this law and for any consequent fines and payments.

If the act is committed pursuant to instructions or statements to the offender from the management or a branch of the company, establishment, cooperative, or consumer cooperative, whoever issued the instructions or statements shall be punished with the same punishment appointed for the offender.

If the act is committed against the instructions or statements issued by one of the bodies mentioned in the preceding section, the person in charge of the store in which the violation occurred shall be jointly responsible with the offender.

In all cases, the person bearing joint responsibility shall not have the fine remitted, unless it is proven that he was absent from the store and could not have prevented the violation.

Section 18

Apprehending magistrates shall notify the public prosecutor's office of any crime specified in this law as soon as it is apprehended. As soon as it is notified, the public prosecutor's office must investigate the incident. If it believes the evidence to be adequate, it must begin legal proceedings before the relevant court of summary justice within 24 hours of the date when the papers are submitted to it. The prosecutor's office may content itself with the statements of the accused and the witnesses contained in the comprehensive memorandum of the inquiry.

Section 19

Cases brought before the courts of summary justice under the provisions of this law must be settled within 3 days from the date they are brought. Judgments issued in these cases cannot be appealed.

Section 20

When considering crimes stipulated under this law, the court may, according to circumstances, content itself with reading the witnesses' statements given at the preliminary inquiry or in the comprehensive memorandum of the inquiry, if summoning the witnesses would tend to impede settlement of the case. The court may also consider the case at some other place than its headquarters.

Section 21

Summaries of convictions of crimes stipulated in this law shall be published in a daily newspaper in two successive issues at the expense of the person sentenced.

Section 22

Employees deputized by the General People's Committee for Economy and Foreign Trade, as well as members of the local people's security and municipal guard, shall act as apprehending magistrates in carrying out the provisions of this law and its implementation resolutions. Thereto, they have the right to enter factories, companies, public and private establishments, distribution centers, stores, warehouses, and other places set aside for the performance of services and work. They have the right to request and examine books, registers, and other documents and papers that they think they should examine.

Section 23

Monetary remunerations may be given to magistrates who apprehend a crime specified in this law or who help in its detection or in completing the measures relating thereto. The amount of such remunerations and the rules for their distribution shall be determined by a resolution of the General People's Committee, pursuant to a motion from the General People's Committee for Economy and Foreign Trade.

Section 24

The price surveillance law issued on 2 Jumada II 1385 (28 September 1965) is repealed, with the price control resolutions currently in force to remain in effect until they are modified or repealed under provisions of this law.

Section 25

This law shall go into effect from the date of its issuance and shall be published in the official journal and in the various information media.

Issued on 10 Shawal 1389 after the death of the Prophet (15 May 1989)—General People's Congress.

Qar Yunis Conference Examines Research on Education

45040405 Tripoli AL-FAJR AL-JADID
in Arabic 19 May 89 p 2

[Article: "1st Revolutionary Conference on Education in Jamahiriyah Society Continues Its Activities at Qar Yunis University in al-Bayan al-Awwal City (Benghazi)"]

[Text] The First Revolutionary Conference on Education in Jamahiriyah Society resumed its activities in the evening at Qar Yunis University in al-Bayan al-Awwal City (Benghazi). At the evening session, papers and studies were delivered dealing with many aspects of education issues in Jamahiriyah society. One paper presented was entitled, "Educational Structure and Its Goals According to the Third Universal Theory." In it, the investigator reviewed the relation between the problem of historical and political development in all its dimensions and the functional role of the new educational structure.

The investigator showed that the need of Jamahiriyah society is embodied in the new educational structure. He reviewed its course from basic education to specialized secondary education and concluded that this course is achieving the building of a committed person who believes in mass thought. It is producing a cultural transformation and is creating a model happy society.

The second paper dealt with the principles and factors that confirm the importance of the educational structure. The investigator indicated that it was a mass demand that had acquired its legitimacy from the resolutions of the basic people's congresses.

He showed that the new educational structure carries out the new Jamahiriyah society's need for trained technical workers, now that society has been transformed from one that consumes without producing into a productive society that wants to liberate itself from dependency and monopoly.

Another paper dealt with the most important contemporary trends in physics teaching and the extent to which these were reflected in the correction and implementation of physics curricula in one of the tracks of the new educational structure—the basic sciences secondary schools.

The next investigator dealt with the meaning of continuing education, the development of its concept, the motives and goals of continuing education for adults, and planning of continuing education for adults.

At the end of his paper, the investigator concluded that the educational system does not stop at a particular age or with a particular group. It is not restricted to a limited sector and recognized groups. Instead, society benefits from it, and its benefits reach all the individuals of the society.

A paper entitled "Education Policy and Its Effect on Unity and Security" was presented. It dealt with elements of the educational and instructional system in the sister country of Algeria between 1950 and 1988.

The paper indicated that the system had been able to realize a number of goals. These included the universalizing of basic education and its extension into the intermediate stage. Drop outs have been reduced by eliminating failure between primary and middle school. This had been done by adapting the educational basics, which compounded attrition in basic education and low enrollment rates in secondary school. This indicated a rise in attrition and transfer between middle and secondary school. This phenomenon is one of the educational system's greatest faults and dangers. It must be remedied in order to reduce educational decline. The paper indicated that the most important characteristic of the educational system in the sister country of Algeria was the general expansion of the system, as well as lowering the level among the components, which was reflected in higher yield in the number of students and in their level of competence.

One of the investigators dealt in his paper with the educational relationship between teacher and learner in Jamahiriya society. He held that the interaction between the two should be based on the principle of respect and esteem on the part of both parties. It is a process in which interaction takes place between sender and receiver, so that the message can reach its goal and partnership can develop.

After a short break, a paper entitled "Observations on Some Education Problems in the Arab Homeland" was presented. In it, the investigator pointed out that an academic character dominates education in the Arab homeland, to the neglect of the practical and vocational side. He showed that this was a characteristic of any education copied from colonial countries with a capitalist system. These countries always want all the resources of technology not to be fully invested, lest that conflict with their interests.

In the paper, the investigator stressed the need for the existence of educational goals and philosophy issuing from the Arab nation's authentic nature and realizing the aspirations of the Arab citizen.

Another investigator, in his paper entitled "The Role of Planning for University Education in Jamahiriya Society," reviewed the present situation of university education in the Great Jamahiriya and the relation of

this to the targets of the economic and social development plans. The paper covered the development of university education, particularly in quantitative terms, from the Great First of September Revolution until the 1987-88 academic year.

A paper entitled "What Develops and Complements Engineering Education in Universities" was presented. It dealt with the rapid development that the Great Jamahiriya is witnessing because of the Great First of September Revolution, which raised the slogan, "Knowledge is a natural right of every human being." Thus, the revolution established universities, higher institutes, and research centers. In order to develop engineering education in Arab universities, the investigator suggested that relations be strengthened between the universities and planning agencies. The student should be linked to places of production. Laboratory facilities should be provided. A relationship should be established between graduates and engineering colleges. Curricula should be directed so as to unify the efforts of Arab universities in this connection.

Yesterday's evening session adjourned, with the conference to resume its activities today.

The First Revolutionary Conference on Education in Jamahiriya Society had continued its activities yesterday morning for the third day in a row at Qar Yunis University in Benghazi.

At the morning session, many papers and studies were delivered, dealing with the main focuses of the conference's activities. These aim at casting light on the theoretical and practical aspects and problems of education in Jamahiriya society.

QATAR

Causes of Economic Stagnation Listed

44040411 Doha AL-ARAB in Arabic 30 Mar 89 p 5

[Text] The report prepared by the Qatar Chamber of Commerce on prevailing economic conditions and ways of dealing with and stimulating them showed that the Qatari economy began to suffer from stagnation or shrinkage at the beginning of the eighties, when some of its sectors showed a decline in their economic performance. This phenomenon requires that efforts to extricate the Qatari economy from stagnation, which has dominated the countries of the world in recent times, be coordinated.

The beginning of the report examined the factors of stagnation, dividing them into external and internal ones, taking into account the great impact that the foreign factor has on the most important of the state's sectors, namely oil, and of its indirect effect on the rest of the economic sectors.

The report summarized the factors as follows:

1. Worldwide economic stagnation and the resulting decrease in the demand for oil and the drop in its price.
2. Lack of investment awareness, and the concentration of private sector activity in limited, non-productive fields.
3. The restricted nature of the Qatari market, and its opening up without controls on foreign products.
4. The need of some Qatari industries, especially the fledgling ones, for customs protection.
5. The failure of banking activity to perform its basic function in serving the national economy.
6. The failure of some of the authorities responsible for guiding the economy to fully perform their role of stimulating the economic sectors and countering the threat from factors causing stagnation or shrinkage, and the lack of coordination between these authorities.
7. The need to develop some of the state's facilities, such as ports and other things.

The report examined the sectors of greatest importance that have been most affected by the factors of stagnation. It also proposed recommendations to counter that stagnation, explaining that care was taken to see that they were applicable and within the limits of what the state's income could tolerate under present circumstances.

With regard to the oil sector, the report explained that oil revenues were still the mainstay of social and economic development in the country. However, this sector is vulnerable to outside factors, including the levels of supply and demand and the policies of each of the oil exporting and consuming states.

The report confirmed that the trade sector was the one most affected by the factors of shrinkage, in view of the restricted nature of the Qatari market and the fact that private sector activity is concentrated in commercial activity. The report made a number of recommendations for this sector, including organizing the Qatari market on a scientific basis; preventing the illegal infiltration of foreign products into the local market; putting a stop to illegal competition, and forcing the manufacturing companies and others to buy all their needs from the local market; setting up a system to encourage Qatari merchants to pursue the business of re-exporting (transit), and establishing a free zone in the sea port in implementation of what was enacted in 1976 law number 7.

On the industrial sector, the report stated that since the beginning of the seventies, the state's policy has been directed towards building a balanced economy, and it worked to steer investments into the industrial sector with the goal of diversifying sources of income. The report explained that in spite of the efforts it made, this sector still has some problems, such as competition from

non-Qatari goods for national goods and products, the industrial sector's shortage of specialized financing establishments, and the inability of the responsible authorities to prepare various studies of economically feasible industrial projects.

The report recommended that this sector be stimulated by giving national products priority in local market purchases; protecting national products from foreign competition; giving priority for credit facilitations to the industrial sector; and encouraging export of local products. In January 1986 the Qatar Chamber of Commerce sponsored the symposium: Prevailing Economic Conditions In The State Of Qatar And How To Cooperate To Stimulate Them. A report on the agricultural sector prepared by the committee that arose from this symposium mentioned that the state was making great efforts to develop this sector in spite of the unfavorable conditions that this sector is subject to, and it explained that these efforts had brought about the development of agricultural production, especially in recent years.

It mentioned that the gap between foodstuffs provided by this sector and the volume of consumption is still large. The report made several recommendations on stimulating this sector, including that the state ought to continue to offer and improve assistance to farm owners and to work to increase agricultural production horizontally and vertically. It recommended establishing a permanent office to finance this sector; adjusting the system of farm ownership; giving the private sector more leeway to invest in various fields of the agricultural sector; regulating the sales method of the auctions it conducts; and creating centers for storage and canning to reduce losses.

Regarding the sector of contracts and construction and the real estate sector, the report explained that these two sectors are like the commercial sector in that they are the most affected by the economic stagnation. This is in view of the fact that the contracts market in the state is saturated with a large number of contractors, that the volume and value of the investment projects which are now being implemented in various sectors of the national economy have dropped, that the supply of building units has increased over demand, especially in recent years, and that a large proportion of the money invested in the buildings has been frozen without yielding a return worth mentioning. The report made several recommendations on dealing with the negative factors endured by these two sectors, including regulating contracts activity; cancelling or freezing contract records of individuals and firms who have stopped pursuing this activity; working to secure most contracting jobs that are sought in the country for Qatari companies; putting an end to the phenomenon of abusing the register of contractors and leasing it to foreign individuals who are not permitted by law to do contracting work; putting an end to the phenomenon of building real estate with low

standards; promptly announcing the final plan for the city of Doha and other cities; and establishing a real estate bank to offer facilitated loans.

The report discussed the banking sector, explaining that the banks have the important role of active participation in economic activity. However, in the State of Qatar they do not use any scientific method worth mentioning to serve and develop economic activity in the country according to banking and economic laws and regulations—inasmuch as they have failed to achieve a larger return for themselves and their stockholders, and the banking credit in the country has been directed towards non-productive projects such as the commercial sector and the individuals sector.

The report said that banking credit in the country ought to be directed so as to create a balance in granting credit facilitations to the various sectors, and work ought to be done on controlling bank credit, and on how to make it flow in various channels and be distributed among various activities.

With regard to the tourism sector, the report said that a clearly defined policy on developing this important facility must be drawn up in order for the tourism sector to grow according to Qatar's basic potential and what it has to offer. The report made a number of recommendations in this regard, most important of which are establishing an office that would be responsible for the establishment of a tourism sector; giving the private sector opportunities to participate in this area; working to establish tourist regions; studying the role of travel agencies in stimulating tourism within the state; and supporting the Qatari investor in the area of tourism.

Regarding the communications and transport sector, the report stressed that this sector is very important to the economic and social development process. It explained that even though the state is eager to enhance and develop communications and transport facilities, this sector still needs to be further developed to keep up with modern developments in other countries of the world, and to counter the stagnation endured by the economic sector.

The recommendations of the report in this respect point to the need to develop the various kinds of ports; to grant the sea ports freedom of action and independence; to look into the possibility of establishing a competitive maritime company; to allow sea transport to be entrusted to specialized Qatari companies; and also to work to improve the current network of roads, and to improve performance relating to cargo and unloading.

The report included statistics and reports on the number of commercial firms and companies, including national and foreign branches; the most important reports relating to corporations; the production of the most important industrial goods; the degree of self-sufficiency of the various food commodities; the number of buildings and

units that have been built according to the type of building, and building licenses issued; credit facilitations; actual secondary capital expenditures and the state's main projects; estimates of the balance of payments; the gross domestic product; and a summary of government income and expenditures.

Family Income Affairs Reported

44040478a Doha AL-RAYAH in Arabic 25 May 89 p 7

[Article: "Central Statistics Agency Chairman to AL-RAYAH: 23.7 Percent of Qatari Family's Income Is Spent on Food and Drink; Wages and Salaries Represent 62.1 Percent of Qatari Citizen's Income"]

[Text] Muhammad Ma'yuf al-Nu'aymi, Central Statistics Agency chairman, has said that according to a survey conducted by the Central Statistics Agency in 1988 on family spending and income in the State of Qatar, average family spending amounted to 10,082 Qatari riyals, including 9,165 riyals in consumption spending. This spending includes food, drink, housing, clothing and transportation, education, health, and cultural and other services. The remaining spending, amounting to 917 riyals, represents non-consumption spending, including non-investment remittances to dependents in other families. It also includes indirect family spending, such as alms and charities, costs of wedding and funeral ceremonies, and so forth.

Al-Nu'aymi pointed out that food and drink constituted 22.3 percent and clothing 8.3 percent of total family spending, whereas spending on housing and its supplements, such as rent, fuel, electricity, furniture, appliances, house utensils, detergents, domestics' wages and so forth, amounted to 32.5 percent of total family spending. Spending on transportation, education, medical care, cultural and recreational services, and other services amounted to 27.8 percent of total family spending. Non-consumption spending amounted to 9.1 percent.

He added that the size and percentage of spending on the various items was different for the Qatari family and the non-Qatari family. Whereas the average monthly spending of the Qatari family amounted to 15,323 riyals, that of the non-Qatari family amounted to 7,951 riyals. It is worth noting here that the size of the chosen sample included in the survey was 1-12 [as published] families representing the community surveyed. As the average spending varied, so did the family size. The average size of the Qatari families surveyed amounted to 9 (8.9) members per family whereas the average size of the non-Qatari family amounted to just about 5 (4.8) members only, including domestics and workers residing with the family in the same housing unit.

As for spending on the different items, the survey results demonstrate that 23.7 percent (3,633 Qatari riyals) of the Qatari family's total monthly spending goes for food and drink, whereas the non-Qatari family spends 21.1

percent (1,679 Qatari riyals) for the purpose. As the percentage of spending on food and drink by the Qatari family and non-Qatari family varied, so did their spending on other items.

Whereas the Qatari family spends 9.1 percent of its total monthly expenditure on clothing, the non-Qatari family spends 7.6 percent. As for housing, the spending amounted to 33.5 percent and 31.9 percent for the Qatari family and non-Qatari family respectively. There is not much difference between the percentage the Qatari family and non-Qatari family spends on service items (transportation, education, culture and so forth). This percentage amounted to 27.6 percent for the Qatari family and 27.9 percent for the non-Qatari family.

Al-Nu'aymi further said that the survey conclusions show that there is an evident difference between the percentage the Qatari family and the non-Qatari family spends on non-consumption items. This represented 6.1 percent of the Qatari family's total spending and 11.5 percent of the non-Qatari family's total spending. The obvious difference emanates fundamentally from the non-Qatari families' remittances to dependents abroad. It should be noted here that these remittances do not include investment remittances, because these are beyond the survey's scope.

It should also be noted that spending on housing includes the item of rent value of the residence inhabited or owned by the family or provided to the family by the employer of the family head, such as government housing or company housing. According to the survey's conclusions, 89 percent of Qatari families live in their own houses or in housing supplied by the employer of the family head and that nearly 46 percent of non-Qatari families live in government or company-supplied housing.

The agency chairman said that some data was gathered on the income of family members included in the survey and that the survey conclusions show that wages and salaries constituted 62.1 percent of the Qatari family's income. Real estate rent and ownership rights constituted 22.6 percent of the total income. Income from free enterprise amounted to 9.1 percent. Other sources of income, such as pensions, social security, profits, interest, remittances, and so forth did not amount to more than 6.1 percent of the Qatari family's income.

As for non-Qatari families, their main source of income was wages and salaries. This source contributed 95.6 percent whereas income from free enterprises and businesses did not exceed 2.7 percent. The other sources (income from real estate rent and ownership rights, profits, pensions, social security and so forth) contributed the remaining part of the non-Qatari family's income, amounting to no more than 1.7 percent. This is normal, considering that non-Qataris live in Qatar as a result of contracts concluded with the government or

with private institutions. Consequently, wages and salaries are their main source of income. Moreover, their economic conditions do not permit them to invest in real estate in the State of Qatar.

TUNISIA

Legitimacy of Ennahda Party Questioned *45040412 Tunis LES ANNONCES in Arabic* *16 Jun 89 p 10*

[Article by Ahmad 'Aliyah: "In Wake of Khomeyni's Death, Khomeyni's Will for Tunisia Embarrasses and Exposes Ennahda"]

[Text] Refusal to grant the Islamists a license has provoked a controversy among ordinary citizens and on the press pages and has provided everybody with "something that is easy to chew on" and that has concealed numerous facts.

For 3 years, this newspaper's general management has devoted all its capabilities to searching for the truth to understand what is occurring in the national arena because of its belief that the absolutely most prominent development has been the fundamentalist tendency's emergence and proliferation in an unusual and unprecedented manner since independence, except for the "Tunisian labor" tendency. To put it very simply and modestly, this article is the gist of work carried out by a team from LES ANNONCES and we present this gist to Tunisians because of this newspaper's belief that the Tunisians are entitled to be familiarized with the secrets.

Meeting With Ghannouchi

When I met with Ghannouchi at his residence last summer, I knew that he was aware that I knew that he did not know anything about the organization in Tunisia, Libya, Algeria, and Morocco of which he is the emir. So I decided to console him after his release from jail and I wished him health, long life and a quick recovery. The truth is that I felt great satisfaction when I found the man devoted to his reading and found his library abounding with books with most of which I was familiar. Before leaving his residence, Rached [Ghannouchi] asked me not to be harsh in my judgment because he knew that I was aware of the movement's developments since the early 1970's. I promised him to be loyal to the country, as he had repeatedly said throughout the evening which brought us together and whose details we promised not to reveal.

That evening, I was certain that there had been a new development in the organization and that Rached received me at his residence on the basis of a belief in al-Ma'arri's philosophy which is founded on the principle of "gain without loss."

Based on this point, one question persisted in my mind: "What does Rached Ghannouchi, whom I knew in my youth in the days when both heaven and earth attested that Tunisia is the holy land, want? The world attests to the Tunisian University's popular tide in the early 1970's, and so do the prison cells, cemeteries, and bars! Despite harassment by numerous circles and despite the assault, abuse, and revilement, LES ANNONCES has continued its message. It has ultimately reached a single conclusion: Democracy is in danger and the reason is the democrats.

Barren Democracy

Not a single citizen doubts the goodwill of the Tunisian democratic movements. It is not easy for a given movement to call for rejecting any group, regardless of its goals and objectives. Democracy refuses to recognize the mentality of rejection and oppression.

This is the course all the Tunisian movements have followed in connection with recognizing and licensing Ennahda.

The authorities have responded on the same basis, deciding that there is no objection to granting Ennahda a license if the latter presents a program free of the contradiction causing the refusal. In this case, Ennahda has contradicted the well-known Article 7 which is concerned with and which details the issue of precedents.

If a general legislative amnesty is issued and if this obstacle is removed, will Ennahda get a license?

All answer positively, especially since the obstacle of using religion as a mount has been eliminated or cast aside...

Does Ennahda fear other barriers that would prevent it from getting its license?

To answer this question, we will be content with posing these questions:

On the basis of refusing the rejection mentality, will any Tunisian political movement, whether recognized or unrecognized, rightist, centrist or leftist, agree to recognize in Tunisia a movement whose roots are in the country and whose thinking head is in Iran, a country with which Tunisia severed its diplomatic relations after Iran's intervention in Tunisia's domestic affairs had been proven?

Furthermore, if the Ennahda Movement is not recognized today, tomorrow or after a thousand centuries, will the movement reveal its real character and embark on a brutal conflict with the government, as this movement did with the 1987 government?

Without excitement or elaboration, it is now the duty of all the national forces, beginning with the ruling party, the government and the recognized and unrecognized parties and ending with the national and humanitarian organizations, to familiarize themselves with the truth, and this is something to which they have accustomed us in the past and at present, especially in connection with the ongoing debate concerning the economic dossier. It is the duty of these forces to pause before one question, namely: What is the true nature of the Ennahda Movement and what are its branches, organizations and structures?

To answer this question, we will present to you a specific document which has been sent to us by Tunisian students living in England. They found this document in a book at an Islamic center in Manchester. The students who sent us the document have added in jest: This is Khomeini's will for Tunisia. We publish the document with utter reservation.

Just for a reminder, Tunisian fundamentalists have a very prominent presence in Britain. The greatest evidence of this is that Hachemi Hamedi has been present for years in the foggy capital where he heads a Tunisian association which recently staged a demonstration to which it had invited numerous Islamic figures.

We have also acquired a document which eulogizes Khomeini and from which we recommend some paragraphs to you (see text).

After all this, are democratic theories built on clear objectives that serve mankind or on the principle of my enemy's enemy is a friend who must be supported?

Ennahda's true character has been repeatedly exposed in the organization's flip-flopping double-talk messages and in its prevarications. The document shows irrefutable facts that demonstrate the following points clearly:

1. In the Iranian organization, Ennahda group has clear tasks in Tunisia, summed up in the following:

- Display humility to the government in order to get a license, as the Tunisian Students General Federation has done.
- Continue to polarize the cadres supplied to it by the Tunisian Students General Federation.
- Work with all means to establish a presence in the political arena.
- Inundate the national organizations with the movement's cadres.

2. Entrust the movement's Liberation Party group with the dirty work and with spreading the movement's real ideology and program in the country's heartland and among all social sectors.

3. The Liberation Party itself is assigned to organize and train groups of uneducated youth in terrorist operations.

4. Let the Tunisian Students General Federation coordinate at the level of students and of North Africa, move on external fronts, and contact leaders abroad under the cover of educational activities.

With all this in mind, do we have to be democratic with those who believe in Khomeyni's will solely?

It is time to examine the concept of democracy and of how democratic we can be.

This is a question posed to the left and the center, and especially to the government which may be thinking of reconciliation with Ennahda.

What kind of renaissance [nahdah] is this? Is it a Tunisian or an Iranian renaissance? This is the question that must be asked.

A new book that may light the way for the doubtful is a book published recently in Tunisia by Dar al-Shams, written by Shapur Haqiqat and entitled: "Iran From the Shah to Ayatollah." This book exposes the true nature of Khomeyni's Iran and of the fundamentalist movements in the Arab world.

[LES ANNONCES note] It has been impossible for us to publish the document because it would contravene the press law, according to a legal expert we have consulted.

PAKISTAN

MQM Leaders Said To Be 'Fascist'

46000164e Lahore VIEWPOINT in English
29 Jun 89 p 7

[Text] Judged by their walk-out from the Sind Assembly in protest against the Finance Minister making his budget speech in Sindhi, MQM [Muhajir Qaumi Movement] leaders seem to be a strange, even dangerous, breed of men.

Self-anointed lovers of truth (haq parast), the MQM legislators have proved themselves to be incapable of recognising and accepting reality. After their justifiable objection to the non-availability of translations of the speech in English and Urdu had been met, they continued to interrupt the Finance Minister and nag him because they kept shouting that they were unable to understand what he was saying, and interpreters should be appointed. This confession should make the Mohajir leaders feel thoroughly ashamed of themselves. After living in the province of Sindh for four decades, having taken full advantage of Sindhi hospitality, rehabilitating themselves to great advantage on Sindhi evacuee property, for them to declare that they cannot even understand spoken Sindhi is an absolute disgrace. It shows that their whole attitude towards migration to Pakistan—which is the case of most people from beyond the Jumna was not forced on them as it was in East Punjab—is warped. They almost seem to believe that they are the master race—entitled to special privileges generation after generation.

Fascist Trends

The statement made in the House that anyone who is disloyal to Urdu is disloyal to Pakistan betrays a fascist bent of mind. It reminds one of Hitler's slogan: Ein Reich, Ein Volk, Ein Fuhrer. The more recent example is that of the Indian RSS [Rashtriya Swayamsewak Sangh] talking about Hindi, Hindu, Hindustan. These exclusivist philosophies are meant primarily to serve certain vested interests, but they often do a great deal of damage to national cohesion and integrity. This is proved by the lesson of Bangladesh. However, it seems that some of these gentlemen are incapable of understanding history or learning its lessons.

As the Sind Assembly Speaker tried to explain, all three languages can be used in the legislature. Urdu, English and Sindhi. For anyone to object to the provincial language so provocatively as the MQM did is stupid and utterly impolitic. The point to understand is that Urdu has been accepted and will remain a national language, mainly because it is a convenient lingua franca. Its status cannot be denigrated by the use of regional languages. In the Frontier Assembly, for example, most speeches are made in Pushto and nobody objects, not even the

Hindko-speaking members. Like any other form of chauvinism, linguistic chauvinism betrays a measure of intolerance and arrogance not permissible in a democratic society.

MQM leaders must learn to revise their basic thinking on this and other subjects if they want to help promote a tension-free situation in Sindh with all sections of the people living together amicably—and, hence, improving the chances of all-round progress and prosperity.

Commentary Asserts Defense Outlay Misrepresented

46000158b Karachi DAWN in English 19 Jun 89 p 7

[Commentary by Shahid Kardar: "Defence Outlay and Budget Papers"]

[Text] A substantial chunk of the government's revenues is set aside for financing expenditure on defence. There is a generous and secular increase in this expenditure, year after year. However, it continues to be shown as an one line item in the budget documents, even after the installation into office of a representative civilian Government. On the one hand no details of this expenditure are provided and on the other hand the figure shown under current expenditure appears to be understated.

According to the 1989-90 Budget the defence expenditure will be Rs.51.77 billion. This figure, however, does not convey the full impact of defence-related expenditure on the government's resources. It does not include Rs.61.6 million set aside for Coast Guards, Rs.639.1 million for Rangers and Rs.305 million for the Frontier Constabulary. Expenditures on these paramilitary forces involved in defending borders are primarily defence-oriented and more in the nature of a division of labour. The Coast Guards perform most of the functions of the navy whereas the Rangers patrol the borders. The expenditure on these forces is shown. Under the expenditure of the Ministry of Interior, whereas it should be treated as part of the overall expenditure on defence.

It also appears that it does not include the outlays to be financed from the credit for arms purchases extended under the US\$4.02 billion package, and by the same token does not include the debt-servicing costs of the officially unacknowledged military debt accumulated over the years.

Neither the debt nor its debt-servicing are reflected in the national income accounts and the Budget. Nor are we sure if it includes all the capital expenditure being included by defence industries, because under the payment terms negotiated in the supplier's credits for purchases, payments against purchases contracted for a particular year get phased out and are deferred over longer periods. By simply deferring payment of supplier bills, the apparent control over defence expenditure can only be illusory. Costs ultimately rise owing to interest charges and depreciation in the value of rupee.

Again, pensions of defence personnel seem to have been excluded from the expenditure on defence. This expenditure is included in the figure of RS.1079 million set aside for pensions of Government employees. Then there is expenditure on strategic border roads, grants of Rs.10.2 million to NWFP [North-West Frontier Province] and Baluchistan to maintain roads of national importance, and expenditure on tele-communications, etc., some of which is defence-oriented and is reflected under different account heads. Similarly, we do not know what proportion of the expenditure of the Ministry of Science and Technology (Rs.516 million), on the Atomic Energy Commission (Rs.504 million), PIN-STECH, Aviation (Rs.218.5 million), Survey of Pakistan (Rs.111.7 million), SUPARCO, Airport Security Force, etc. is in the nature of expenditure on defence, i.e. items for defence purchased under civilian heads.

Other defence expenditure not directly costed is subsidies that have to [be] borne because of the exemption of military hardware purchases from payments of customs duties;

(b) rebates on travel of military personnel and their families.

In other words, there is considerable cope for reclassifying defence-related expenditure.

The manner in which the money set aside for defence is spent is based on the Government's own logic and plans in respect of what is essential for national security and the integrity of geographical boundaries. But all we have is their word that expenditure on defence is being made after due care and scrutiny, the money being paid for is buying the best defence for value and the country's defence is being strengthened in the process.

What is the cost of all this for a country with limited economic achievements to its credit? With defence consuming such a high proportion of the society's savings and the inflows of foreign assistance, it is critical that expenditure on defence be discussed. There are two main reasons for this:

(i) The components which make up defence expenditure are kept secret from the 'natives', although foreign enemies know all about it. However, unless the expenditure on defence is discussed at length the nation will not know if the expenditure being incurred is buying the best defence.

(ii) The diversion of funds into defence and law and order means less is available for development of infrastructure and other activities which can be used for developing human capital and for fuelling growth. This in turn means that, in the long run, a low growth rate will create fewer jobs, thereby creating the conditions for greater social unrest, resulting in the allocations of more money for maintenance of law and order, leaving an

even lesser amount, than in the past, to fund employment generation programmes, thereby setting into motion a vicious circle that has the potential for exacerbating the already high degree of polarisation in society.

Editorial Criticizes Government on Printing Paper Tax

46000164d Islamabad *THE MUSLIM in English*
5 Jul 89 p 5

[Editorial: "Costlier Books"]

[Text] In a country where literacy is still abysmally low and the book reading habit yet to take roots, the decision of the government to enhance customs duty on all kinds of printing paper and the sharp increase in the price of indigenous white printing paper, are likely to aggravate rather than alleviate the problem. This point is understandable from the basic argument that costlier paper means costlier books. The person who has to buy a book for education or for pleasure has to shoulder the burden for whatever benefits are to be derived by the government and others by the higher customs duty and prices.

The government, given its excessive accent on eradicating illiteracy and improving the quality of life cannot possibly be desirous of circumventing its own policies. The appeal of Pakistan Publishers and Booksellers Association in this regard, therefore, makes sense and deserves to be carefully considered by the government. Their problem should not be seen as something related essentially to the field of finance and taxation but an issue that concerns the public much more than what appears possible. They are right when they claim that the additional customs duty will be beneficial to no more than half a dozen indigenous manufacturers of white printing paper at the cost of those who have to buy books.

But, in supporting the case of the publishers and booksellers, it also needs to be emphasised that the blame for high cost of books must be placed entirely on the printing paper factor. The book trade, in spite of its repeated disclaimers to the contrary, has also been held partly responsible by the readers themselves. Given the high cost of machinery and essential inputs, it is natural to expect the product to be expensive, but not to the extent that it is made out to be. This is a point the Association should also look into, and while seeking redress of its genuine complaint, it would be appropriate that it also gives an accompanying assurance to ensure the prices of books will not go out of the reach of the readers.

Editorial Urges Restraint on Political Rivalries

46000164c Islamabad *THE MUSLIM in English*
9 Jul 89 p 4

[Editorial: "Keeping Differences Under Restraint"]

[Text] A certain amount of friction between the provinces is not unexpected in a democratic political system as the units have their own interests which tend to

overlap. But, fortunately, much of this is manageable as the inter-provincial linkage among the provinces is essentially a fraternity of equals, much different from the unequal centre-province relations. Thus the occasional complaint from Sindh against Punjab or vice versa was seen as a normal development arising from the mixed political pattern that was thrown up by the 1988 elections. However, the most recent allegation raised by Syed Qaim Ali Shah that the Punjab government was involved in Sindh violence is a charge that goes much beyond the usual political friction and suggests graver implications. The Chief Minister, who substantiated his claim against Lahore with "evidence" obviously could not have been unaware of the gravity of his accusation against a fraternal unit. That he was forced to go public in this respect emphasises the seriousness of the situation.

Syed Qaim Ali Shah's case rests on the detection by Sindh authorities of instances of issuance of arms licences to residents of Sindh by Punjab officials. This fact came to light during anti-dacoit operations in Mirpur Mathelo—an area adjoining Punjab—when licences issued by the Punjab Home Secretary and DC, Lahore were recovered. Further investigation unearthed 200 such cases of Punjab arms licences with residents of Sindh. That Karachi was not intimidated by Lahore about its giving licences to people belonging to Sindh further compounded the situation.

The normal official practice in such matters is that much care is exercised and the units do not issue arms licences to people living in other provinces. Moreover, the units also maintain close cooperation in such an important field to prevent the licences from falling in the hands of criminal elements. This apparently was not done and the Punjab authorities not only issued licences to persons belonging to another province who were not entitled, but that due care was not taken to ensure the bona fides of the applicants and the exchange of information in this regard with Sindh. Syed Qaim Ali Shah, therefore, has a valid point where he accuses Lahore of ignoring the accepted procedure and acting in a manner that would exacerbate the problems faced by the province.

Given Sindh's present level of lawlessness, there is urgent need on the part of all concerned to exercise utmost restraint to prevent the situation from deteriorating. One excellent way would be by cooperating with the authorities of the troubled province. Another would be to refrain from doing anything that might strengthen the hands of the lawless elements. But, the issuance of arms licences by Lahore, to the people residing in Sindh, even if done inadvertently, can hardly be seen as contributing to Karachi's efforts to contain the dacoit menace. The detection of six such licences during operations against the criminals is sufficient evidence that the issuance of arms licence was improper, if not mala fide.

If the allegations made by the Sindh Chief Minister are proved to be correct, then it would appear that a much wider dimension is being added to the existing friction

between the provinces. That fortunately much of their contention was polemical till now had helped to maintain the differences at a manageable level. But this is not likely to be the case any more if an attempt is made to give teeth to the confrontation by methods which are designed to discomfort the other.

Keeping the circumstances in view, we believe it is time for all sides to call a halt to their present squabbling and settle their political differences peacefully. But, if that is not possible then they should at least exercise restraint in their confrontation. Certain fields that impinge on national security and internal stability should not be exploited for political gains. Endeavouring to destabilise the Sindh government by aiding the dacoits or encouraging other inimical elements would above all harm Pakistan. The same can be said about any effort to hamper the process of lawful action against persons who face serious charges.

Matters could be helped by increased coordination among the provinces so that their differences can be resolved amicably through talks. Political rivalries notwithstanding, the friction between two units can never be of a shape and size that it should call for steps to unhinge each other's governments. All provinces have need for cooperation from each other, as not only they have shared common interests but also have common boundaries. Stability in Punjab is a sine qua non for similar stability in Sindh, Balochistan and NWFP [North-West Frontier Province].

Commentary Urges Sindh Rail Link to India *46000164b Karachi DAWN in English 3 Jul 89 p 5*

[Commentary by Salahuddin Mirza: "Khokhrapar-Munabao Rail Link With India"]

[Text] It was rather very interesting to read in the daily DAWN that India had proposed reopening of a rusting railway lying idle for a quarter century. The reference was towards the Khokhrapar-Munabao rail-link between India and Pakistan. As every one knows, this railway link was disrupted and finally closed on the commencement of the hostilities between India and Pakistan on Sept 6, 1965 and it is lying closed ever since.

There can be no denying the fact that almost 90 percent of the Indo-Pakistan traffic is generated from Karachi and Sindh and it is very unkind that the people of Karachi and Sindh should be forced to travel all the way to Lahore and then through the disturbed and strife-torn Indian Punjab to reach their destinations which, in most cases, are just across the border if one travels through the direct Khokhrapar-Munabao route.

When the hostilities between India and Pakistan come to an end and the necessity was left for reopening the travel facilities between the two countries, the logical step in

that direction should have been to reopen the Khokhrapar-Munabao railway link rather than opening the Lahore-Amritsar route which, for the reasons given above, is only of secondary importance.

In fact, there are reasons that the Lahore-Amritsar route should not have been reopened at all. The Lahore-Amritsar rail link can be of some service only for people living in NWFP [North-West Frontier Province] and Punjab and the statistics would show that less than 10 percent of the Indo-Pakistan traffic is concerned with these two provinces.

There is no sense in forcing the people from Karachi and Sindh to travel through this route which entails at least three times as much expense and three times as much time compared to what the Khokhrapar-Munabao rail link would entail. For example, Jodhpur in the Indian state of Rajasthan hardly takes an eight hour journey from Hyderabad but to go there via Lahore-Amritsar route takes about three days.

Then, there is the question of security. In view of the present insurgency in the Indian Punjab, it is highly dangerous to travel through that province. Besides, the Lahore-Amritsar rail link and also the road link between these two cities via Wagah also facilitates the movements of undesirable elements in both the directions. No such risk is involved if Khokhrapar-Munabao rail-link is opened.

Besides, the railway line between Mirpurkhas and Khokhrapar passes through a very backward and poor area of Sindh where avenues of employment for local population are almost non-existent. If this rail link is opened, it would provide substantial employment to the local population of this area and will give a fillip to local trade and commerce. This will go a long way in improving the financial and economic conditions of the people living along this route. As such, it is in our interest that this route is opened at the earliest and initiative in this direction should have been taken by Pakistan rather than India.

If our memory serves us well, ex-Prime Minister Mr Muhammad Khan Junejo had announced in March or April 1986 that the Khokhrapar-Munabao rail link would be re-commissioned in October that year. Subsequently, in September 1986, it was reported that all physical arrangements to reopen this route had been finalised and the Indian Railway delegation was expected to arrive in Lahore on 21st September 1986 to finalise these arrangements.

As it happened, to the great ill-luck of the people of Karachi and Sindh, the leader of the Indian delegation was reported to have fallen sick and the Indian delegation did not arrive on the appointed day. Thereafter nothing was heard in that direction. As a matter of fact, if the leader of the Indian delegation had fallen sick, he could have been replaced by some other officer or if he

was so indispensable, the delegation could have arrived after a week or so, after he had recovered from his illness. This did not happen and our Government did not ask India to send its delegation without loss of time. Thereafter late President General Mohammed Zia-ul-Haq torpedoed the entire scheme for reasons which we cannot understand.

It is, therefore, time that our democratically elected Government took initiative in the matter so that the Khokhrapar-Munabao rail link is opened without further loss of time so that the travelling public is saved from the ordeal of travelling through a tortuously long route via Lahore and Amritsar and the rural population of Sindh benefits financially and economically.

Commentary Views the Sindh Situation
46560038 Lahore NAWA-I-WAQT in Urdu
16 May 89 p 10

[Commentary]

[Text] Addressing army officers at Karachi headquarters, Chief of Army Staff General Mirza Aslam Beg said recently that the law and order situation in interior Sindh is a matter of concern. Its causes include social and economic inequalities which have been used by activists of special interests to spread racial hatreds. Even though the law and order situation in Sindh has been causing concern for some time now, and different opinions have been expressed on its political, social and economic origins, attempts to eliminate these causes and establish peace in the province, have not succeeded so far. On the contrary, with the passage of time, conditions have been going from bad to worse. It is true that in exact accordance with mentality of feudal economy, extremes of social and economic inequalities are found in Sindh. But the responsibility for these disparities lies not on some foreign element but rather on local feudalists, vaderas and the criminal elements who have neither allowed industries to be set up in interior Sindh, nor have they shown any interest in promotion of education and who, by training the unemployed and helpless youth in criminal activities, seek to achieve both of their ends. On the one hand, they make money from murder, abduction, dacoity and other such criminal activities and on the other hand, it helps maintain their authority in the area which, in turn, they use to further strengthen their political and social position.

Also there is no denying the fact that most of the responsibility for Sindh's backwardness lies with that class which, in order to maintain its strangle hold on farmers, workers and laborers, wants to keep them backward, illiterate, and poor so that these paupers may remain mobilized to work for gratification of aspirations and objectives of this favorite class. Consequently, on the one hand, the poor are kept steeped in economic misery and social backwardness and on the other hand, in pursuit of the despicable objectives and special interests of the ruling class, they are given the impression that

the responsibility for the kind of conditions in which the oppressed Sindhi people have to suffer, falls on this or that particular class, ideology or group. This target keeps shifting from time to time. Sometimes Punjab is reviled and sometimes, this responsibility is thrust on military rulers and sometimes the creation of Pakistan itself is blamed for those misfortunes and sorrows which the people of Sindh have to suffer. This despite the fact that if an honest analysis is made of the factors underlying unemployment, social injustice and economic inequalities, the real culprit for this infamy, when discovered, will be apart from the Hindus, the Sindhi feudalists dressed in correct Sindhi dress, vaderas, and the religious and political leadership and the local chiefs. Obstacles in promotion of education and deliberate neglect of industrialization can inescapably lead to lack of employment and increase in joblessness. Similarly, encouragement or rather patronage of crime is also a favorite resort of this class. Unfortunately, for the last 40 years, this very class has been in control of all the organs of power and authority. Instead of improving conditions of Sindhi people and focusing on the good and welfare of the country, this class, whether it belonged to Sindh or to some other province, has concentrated on bringing national exchequer under personal control, creating enmities among different groups in the country and when out of power, it has sought to inflame peoples' emotions and thus pave the way for its return to power.

It is an incontrovertible fact that during the 18 year history of the country since secession of East Pakistan, the third successive prime minister of the country has been from Sindh. Coming into power of late Zulfikar Ali Bhutto, his non-party successor Mohammad Khan Junejo and his party heir Benazir Bhutto has been possible on account of the special conditions obtaining in Sindh but instead of getting resolved, the Sindh problem is taking a more grave shape. So much so that the Prime Minister Benazir Bhutto has now started comparing it to a near-revolt. Mohammad Khan Junejo, who besides having occupied the highest office of the land is personally a serious politician, has stated that President Ghulam Ishaq is also unhappy with the current situation. According to the General Secretary of the Pakistan Muslim League, Iqbal Mohammad Khan, there is a similarity in the situation obtaining in Sindh and that in former East Pakistan in 1970-71 and this opinion is not completely incorrect either. Now even the Chief Of Army Staff is also pointedly referring to the gravity of the situation. When besides rulers and opposition leaders, the top military brass have each arrived separately at the conclusion that Sindh is passing through a critical phase, here should be no delay in taking effective steps to end this situation. Especially so because India is ever busy in making practical preparations to fish in these troubled waters and if we keep up our state of indifference, neglect and blindness to consequences, India surely will not miss this opportunity.

The Chief of Army Staff has pointed to political steps which, in our opinion, have been taken in the form of holding of elections and transfer of power to elected

representatives. Now it is the responsibility of the elected representatives that they create in the province an atmosphere of unity, amity, solidarity and law and order. If, God forbid, because of their half-hearted measures and political helplessness, the elected representatives also do not succeed, its solution, God forbid, certainly does not lie in handing over the entire authority of the province to extremists, who acting in the light of GM Sayad's teachings, would begin 'liberating' Sindh by purifying Sindh by throwing out all non-Sindhis and who would take Raja Dahar to be their hero. Fortunately and by grace of God, Sindh has got fertile land and natural resources, the greatest river of the country irrigates its lands, the lion's share of industries and commercial enterprises are also located in Sindh's provincial capital but if due to conditions of our own making, this land does not remain conducive to cultivating fields and running industries and offices, the blame for this cannot be thrust on others. Slogan of Sindh's feeling of deprivation is a mental creation of the activists of special interests who are themselves responsible for this deprivation. What was needed was that instead of getting blackmailed by this slogan, an efficient and effective representative government should have taken such steps during the last 4-5 months as would have burst the balloon of extremists' propaganda and restored normalcy but this hope has not materialized so far. If, God forbid, the present leadership fails, it will be very difficult for the alternate leadership to improve the conditions, which could be worse than at present, and to run the government. In this atmosphere, it will also be impossible to hold midterm elections in accordance with the well-known constitutional and democratic conventions. That is why it becomes the duty of present leaders and influential people that in order to resolve the Sindh issue on a priority basis, they should work on the suggestion for an all party conference and in addition to removing valid complaints of Sindh, they should also initiate sincere efforts to end the atmosphere of prejudice and hatred which has played havoc with peace and tranquility of Sindh. In order to create conditions of love and friendship among various nationalities and linguistic groups, it will be necessary to end tension and confrontation on political level because while tension and conflict loom on one front, it will be not only difficult but impossible to end tension and prejudice on another front.

During the days of dictatorship, resort to the direct remedy of democracy was suggested for combating the atmosphere of prejudice, hatred, tension and injustice. Now that democracy has been restored, worsening of conditions is injecting disappointment into peoples' desires and hopes, something which does not bode good for democracy. There has been enough of analysis of the conditions. Now let practical steps be taken in accordance with this analysis so that apart from the people of Sindh, people of the rest of the country too may free themselves from the disquiet and unhappiness regarding country's integrity, national unity and democracy.

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